Ideas for Growth

LOLC (Cambodia) Plc.

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DISCLOSURE DOCUMENT FOR
PUBLIC OFFERING OF DEBT SECURITIES

2026

LOLC

អិលអូអិលស៊ី (ខេមបូឌា) អិលស៊ី
LOLC (Cambodia) Plc.

DISCLOSURE DOCUMENT FOR PUBLIC OFFERING OF DEBT SECURITIES

GUARANTOR

CGCC
CREDIT GUARANTEE CORPORATION OF CAMBODIA

LEAD MANAGER

យ៉ាន់តា (ខេមបូឌា)
Yuanta Securities (Cambodia)

"THE COMPANY AND THE RELATED ENTITIES THAT HAVE PREPARED THIS DISCLOSURE DOCUMENT SHALL BE RESPONSIBLE FOR THE INFORMATION CONTAINED HEREIN."

អិលអូអិលស៊ី (ខេមបូឌា) ភអិលស៊ី
LOLC (Cambodia) Plc.

Name of the Company: LOLC (Cambodia) Plc.

Address: #666B, St 271, Sangkat Beung Tum Pun 2, Khan Mean Chey, Phnom Penh

Website: www.lolc.com.kh

E-mail: info@lolc.com.kh

Phone number: +855 (0) 23 991 991

Fax number: +855 (0) 23 220 642

Company registration number: 00012829

Date: 28 September 2015

License number: M.F 04

Date: 07 December 2023

DEBT SECURITIES ISSUANCE

Registration number: .....

Issued by SERC, Date: .....

Underwriter

Yuanta Securities (Cambodia) Plc.

This Disclosure Document and any supplementary materials can be obtained at:

- LOLC (Cambodia) Plc.: #666B, St 271, Sangkat Beung Tum Pun 2, Khan Mean Chey, Phnom Penh, Cambodia
- Yuanta Securities (Cambodia) Plc.: 4th Fl, Emerald Building, No. 64 (corner St. 178), Preah Norodom Blvd., Sangkat Chey Chumneah, Khan Daun Penh, Phnom Penh, Cambodia

Person in charge of providing Disclosure Document:

Name: Han Kyung-Tae

Position: Chief Executive Officer

Website: www.yuantacambodia.com.kh

E-mail: kt.han@yuantacambodia.com.kh

Phone number: +855 (0) 23 860 800

Fax number: +855 (0) 23 224 126

SELLING AGENTS

1. **ACLEDA Securities Plc.**
   - **Address** : 5th Floor, ACLEDA Building #61, Preah Monivong Blvd., Sangkat Srah Chork, Khan Daun Penh, Phnom Penh, Kingdom of Cambodia
   - **Phone Number** : +855 (0) 23 999 966 / 999 977 / +855 (0) 15 800 291
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     sem.leakhena@acledasecurities.com.kh
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2. **Canadia Securities Co., Ltd.**
   - **Address** : Canadia Tower, No. 315, Ang Duong Street (Corner of Preah Monivong Blvd.), Sangkat Wat Phnom, Khan Daun Penh, Phnom Penh, Kingdom of Cambodia
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     brokerage@canasecurities.com.kh
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3. **Cambodia Securities Plc.**
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   - **Website** : www.sbiroyal.com.kh

A. General Information of the Issuer

Name	LOLC (Cambodia) Plc.
Address	#666B, St 271, Sangkat Beung Tum Pun 2, Khan Mean Chey, Phnom Penh, Cambodia
Phone Number	+855 (0) 23 991 991
Website	www.lolc.com.kh
E-mail	info@lolc.com.kh
Company Registration Number	00012829
Registration Date	28 September 2015
Business License Number	M.F 04
License Date	07 December 2023

B. General Information of the Underwriter

Name	Yuanta Securities (Cambodia) Plc.
Address	4th Fl, Emerald Building, No. 64 (corner St. 178), Norodom Blvd, Phnom Penh, Cambodia
Phone Number	+855 (0) 23 860 800 / +855 (0) 23 224 126
Website	www.yuantacambodia.com.kh
E-mail	yuanta@yuantacambodia.com.kh
Company Registration Number	00014552
Registration Date	29 April 2015
License Number	007 ន.ម.ក / ក.ធ
License Date	03 December 2024

C. General Information of the Legal Advisor

Name	ANANT Law Firm
Address	#29, Street 294, Sangkat Tonle Bassac, Khan Chamkarmon, Phnom Penh, Cambodia
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E-mail	info@anant-lawfirm.com
Certificate of Professional Office Registration Issued by the Bar Association of the Kingdom of Cambodia	LF 090/23
Certificate Date	25 September 2025
Registration Number Accredited by SERC	023 ន.ម.ក / ក.ធ
SERC Registration Date	26 July 2024

D. General Information of the Independent Auditor

Name	KPMG CAMBODIA LTD
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E-mail	audit@kpmg.com.kh

E. General Information of the Credit Rating Agency

Name	Rating Agency of (Cambodia) Plc.
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Phone Number	+855 (0) 17 392 777 | +855 (0) 17 383 777
Website	www.ratingagencyofcambodia.com.kh
E-mail	info@ratingagencyofcambodia.com.kh k.sorita@ratingagencyofcambodia.com.kh
Company Registration Number	2000127611
Registration Date	16 February 2022
Registration Number Accredited by SERC	001 ន.ម.ក / ក.រ
License Issuance Date	03 December 2024
SERC Registration Date	12 July 2022

F. General Information of the Guarantor

Name	Credit Guarantee Corporation of Cambodia
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Phone Number	+855 (0) 23 722 123
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G. General Information of the Second Party Opinion

Name	Moody's Investors Service, Inc.
Address	7 World Trade Center, 250 Greenwich Street, New York, NY 10007, United States
Phone Number	+852-3551-3077
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SIGNATURE OF CHAIRMAN OF BOARD OF DIRECTORS, DIRECTORS, CEO AND CFO OF THE COMPANY

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Note to Investors

LOLC (Cambodia) Plc.'s Board of Directors has approved the Khmer version of the Disclosure Document for the public offering of debt securities. The Board of Directors of LOLC jointly and severally takes full responsibility for the accuracy of the information contained in the Khmer version of the Disclosure Document. Having made all reasonable inquiries and to the best of their knowledge and belief, the Board of Directors assures that all statements in the Khmer version of the Disclosure Document are accurate and not misleading, and that no omissions would cause them to be false or misleading.

The Bonds will be approved by the Securities and Exchange Regulator of Cambodia ("SERC"), and a final copy of the Khmer version of this Disclosure Document will be registered and filed with the SERC.

The approval and registration of the Khmer version of this Disclosure Document does not mean that the SERC suggests investing in these securities or takes responsibility for the information, opinions, or statements in this document. The SERC does not certify the accuracy or completeness of this Disclosure Document's content or take responsibility for any non-disclosed information. The SERC is not liable for any loss from this Disclosure Document's content.

The investment in or subscription of the bonds is the sole responsibility of each investor, and he/she should rely on his/her judgment in assessing the accuracy and risks associated with this investment. Investors should take into consideration the objective of the investment, risk profile, his/her own financial position, and so on.

If investors have any doubt about this Disclosure Document or are considering the investment, they should consult securities firms, investment advisors, or other professional advisers.

Date: 21 / 05 / 2026

Mr. Brindley de Zylva

Chairman of the Board of Directors

(The remaining part is intentionally left blank)

LOLC (CAMBODIA) Plc.
KINGDOM OF CAMBODIA

Tentative Timetable

Events	Tentative Date
Opening date of subscription	10 August 2026
Closing date of subscription	18 August 2026
Allotment of subscribed debt securities	20 August 2026
Notifications to successful applicants	20 August 2026
Issue date	20 August 2026
Listing date	9 September 2026

Note: Business hours are 8:00 am to 12:00 pm and 1:00 pm to 5:00 pm except for weekends and official national holidays in Cambodia.

The tentative timetable is subject to change, if necessary, to facilitate the implementation of procedures.

Should there be a delay in the subscription closing date and subsequent notification, we will extend the allotment and listing dates accordingly.

(The remaining part is intentionally left blank)

Guideline on Bond Subscription, Allotment and Refund

1. Subscription

i. Investor shall have an Investor ID Number and a Trading Account before subscription.
ii. Investors shall submit the Subscription Application Form and make a deposit equal to 100% of the value of the subscribed bonds.
iii. Subscription details:

Subscription Period	10 August 2026 - 18 August 2026
Total Number of Bonds Offered	Up to 2,000,000 units of debt securities
Offering Price	KHR 100,000 or USD 25
Minimum Subscription Amount	USD 500,000 for LOLC Guaranteed Sustainability Corporate Bonds 1. KHR 2,000,000,000 for LOLC Guaranteed Sustainability Corporate Bonds 2. USD 10,000 for LOLC Sustainability Corporate Bonds 1. KHR 40,000,000 for LOLC Sustainability Corporate Bonds 2. For LOLC Guaranteed Sustainability Corporate Bonds 1 and LOLC Guaranteed Sustainability Corporate Bonds 2, if the subscription exceeds the minimum stated above, the subsequent incremental subscription amount shall be made in the multiple of USD 100,000 or KHR 400,000,000. For LOLC Sustainability Corporate Bonds 1 and LOLC Sustainability Corporate Bonds 2, if the subscription exceeds the minimum stated above, the subsequent incremental subscription amount shall be made in the multiple of USD 10,000 or KHR 40,000,000.
Settlement Currency	KHR or USD The coupon and principal of each debt securities will be paid in the same currency as settlement currency during subscription.

iv. How to participate in subscription:

- Subscription Application Form:
  a. Fill in the Subscription Application Form at Yuanta Securities (Cambodia)'s office or Selling Agents' office.
  b. Attach Bank deposit/Transfer slip to the Subscription Application Form and submit them to Yuanta Securities (Cambodia)'s office or Selling Agents' office.

- Subscription Deposit:
  a. Deposit 100% of the total value of debt securities (Quantity x Offering Price) into the Issuer's subscription account below at ACLEDA Bank Plc.:

Account Name	: LOLC Guaranteed Sustainability Corporate Bonds 1 – Subscription Account
Account No.	: 00010011448123
Currency	: USD
Swift Code	: ACLBKHPP

Account Name	: LOLC Guaranteed Sustainability Corporate Bonds 2 - Subscription Account
Account No.	: 00010011448124
Currency	: KHR
Swift Code	: ACLBKHPP

Account Name	: LOLC Sustainability Corporate Bonds 1 - Subscription Account
Account No.	: 00010011448125
Currency	: USD
Swift Code	: ACLBKHPP

Account Name	: LOLC Sustainability Corporate Bonds 2 - Subscription Account
Account No.	: 00010011448126
Currency	: KHR
Swift Code	: ACLBKHPP

b. The purpose of transfer/deposit shall be "LOLC Bond Subscription". Overseas transfer shall arrive at ACLEDA Bank by the last day of the Subscription before 5pm (Cambodia time: UTC+07:00. Bangkok, Hanoi).

v. There shall not be any interest accrued on the subscription deposit unless expressly instructed otherwise by the SERC.

vi. Investors shall acknowledge that the Issuer is entitled to deny the subscription application if it does not comply with the subscription terms and conditions.

2. Allotment

The allocation of the Bonds to investors shall be at the absolute discretion of the Issuer and the Underwriter, exercised reasonably and in good faith. In exercising such discretion, the Issuer and the Underwriter may consider factors including but not limited to: (i) the size and timing of subscription applications; (ii) the investor's investment profile and experience; (iii) diversification of the investor base; and (iv) compliance with applicable laws and regulations. The Issuer and the Underwriter may allocate any amount of the Bonds to any person or may refuse to allocate the Bonds subscribed by any investors as they deem appropriate.

3. Refund

i. Any remainder of the Subscription Deposit after the Subscription Period shall be refunded to the corresponding Applicants through the method stipulated in their Application or via any other reasonable methods.

ii. Refund will be made after the announcement of Subscription result and in the same currency as the currency of investor's initial deposit.

iii. Any and all expenses, fees and charges related to the refund including, without limitation, the bank transfer fee and service charge, shall be borne by the investors.

4. Distribution of Bonds

The Issuer will ensure that the Registrar enters the name of each bondholder to whom the Bonds have been allotted, together with details of the number of Bonds allotted to such bondholder after the approval of subscription result by SERC, provided that such registration may be delayed due to circumstances beyond the reasonable control of the Issuer or the Registrar, including but not limited to system failures or regulatory requirements.

(The remaining part is intentionally left blank)

Abbreviations

BOD	Board of Directors
CAGR	Compounded Annual Growth Rate
CAR	Capital Adequacy Ratio
CGCC	Credit Guarantee Corporation of Cambodia
CSS	Cambodian Shared Switch
CSX	Cambodia Securities Exchange
GDP	Gross Domestic Product
GLP	Gross Loan Portfolio
IMF	International Monetary Fund
KPIs	Key Performance Indicators
LCR	Liquidity Coverage Ratio
MDI	Microfinance Deposit-taking Institution
MEF	Ministry of Economy and Finance
MFI	Microfinance Institution
NBC	National Bank of Cambodia
NBFI	Non-Bank Financial Services Industry
NPL	Non-Performing Loan
PAR90	Portfolio At Risk (PAR) that is more than or equal to 90 days
PPI	Progress Out of Poverty Index
SERC	Securities and Exchange Regulator of Cambodia
SME	Small and Medium Enterprise

(The remaining part is intentionally left blank)

LOLC (CAMBODIA) Plc.
KINGDOM OF CAMBODIA

Definitions

Unless otherwise marked hereunder, the following definitions are direct English translations of the definitions prescribed in the relevant securities-related laws and regulations of Cambodia including, but not limited to, the Law on Issuance and Trading of Non-government Securities No. NS/RKM/0107/028 dated 19 October 2007, the Securities and Exchange Regulator of Cambodia ("SERC") Regulations and the Cambodia Securities Exchange ("CSX") Rules as promulgated and amended from time to time, and such definitions do not necessarily reflect the definitions as used in accounting standards, international markets or jurisdictions outside of Cambodia.

- **Applicants:** Refers to the Subscriber of the Bonds.
- **Audit Committee:** A committee of the board responsible for review and oversight of the company's financial statements, internal and external controls and audits.
- **Board of Directors:** Refers to a group of three (3) to nine (9) members elected by the Company's shareholders at their annual meeting, in accordance with the Company's Articles of Incorporation and subject to any required regulatory approvals.
- **Director:** A person who serves on a company's board of directors. Any person who leads or supervises a project or entity.
- **Disclosure Document:** A document that describes a financial security for potential buyers with a description of the company's business, financial statements, biographies of officers and directors, detailed information about their compensation, any litigation that is taking place, a list of material properties and any other material information.
- **Independent Director:** A member of a company's board of directors who was brought in from outside the company. Because an independent outside director has not worked with the company for a period of time (typically for at least the previous year), he or she is not an existing manager and is generally not tied to the company's existing way of doing business.
- **Nomination Committee:** A committee that acts under the corporate governance area of an organization. A nomination committee is focused on evaluating the board of directors of its respective firm and on examining the skills and characteristics that are needed in board candidates. Nomination committees may also have other duties, which vary from company from company.
- **Registrar:** The persons registered with the SERC to provide the registrar services on the behalf of the issuers in the framework of the securities offerings following the Prakas No. 009/10 SERC/BR.k dated 30 June 2010 on the Registration of Securities Registrar, Securities Transfer Agent, and Paying Agent.
- **Record Date:** The date on which a holder of the security must be registered with the issuer in order to receive a coupon or dividend payment on the next payment date.
- **Securities and Exchange Regulator of Cambodia:** The government agency that regulates and supervises the securities industry. The commission administers laws related to securities, formulates and enforces rules to protect against malpractice, and seeks to ensure that companies provide the fullest possible disclosure to investors. All of the national exchanges and virtually all institutions in the securities industry fall under its jurisdiction.
- **Securities Market:** The organized trading of stocks through exchanges as well as over-the-counter.

- **Senior Staff (Officer):** The staff working for a company in the positions from chief level, head of internal audit and corporate secretary.
- **Shareholders' Equity:** A company's total assets minus total liabilities.
- **Subscriber:** An investor who promises to purchase securities when a company makes a public offering of securities.
- **Underwriting Agreement:** The contract between an underwriting syndicate and the security's issuer, with the agreement spelling out the terms, price, and account settlement details.

(The remaining part is intentionally left blank)

Disclaimer

GENERAL

This Disclosure Document is based on information and materials provided by LOLC (Cambodia) and other sources that LOLC (Cambodia) Plc. ("LOLC" or "Company") believes to be reliable. The Underwriter and any of their respective affiliates, directors, officers, employees, representatives, agents, or advisors makes no representation or warranty, express or implied, as to the accuracy or completeness of such information and materials, and nothing contained in this Disclosure Document is, or shall be relied upon or construed as a promise, undertaking or representation by the Underwriter. The Underwriter assumes no responsibility or liability for the accuracy or completeness of information and the materials that are contained or referred to in this Disclosure Document.

Each person receiving or viewing this Disclosure Document acknowledges that such person has not relied on the Underwriter or any person affiliated with the Underwriter in connection with its investment decisions or the investigation of the accuracy or completeness of the information or materials contained in this Disclosure Document. Neither LOLC nor the Underwriter is making any representation to the aforementioned person regarding the legality of the bid, subscription, and purchase of, or investment in, LOLC's debt securities by such person. This Disclosure Document and all information and materials contained herein, and their distribution or transmission, must not, under any circumstances, be considered legal, business, or investment advice.

The investors and all other readers of this Disclosure Document acknowledge and understand that only the Khmer version has been approved in principle and will be registered with the SERC; the English version and all English translations provided are solely for reference and convenience for readers whose primary language is not Khmer. Such investors and readers further acknowledge and understand that, with any kind of translation between two different languages, the translation of a particular word or a phrase in one language may not completely accurately convey the full meaning of the corresponding word or a phrase in the other language. LOLC and the Underwriter and any of their respective directors, officers, employees, representatives, or affiliates shall not take or assume any kind of liability or responsibility whatsoever in connection with any matters that arise due to or as a result of any inaccuracy, incompleteness, or omissions in the English translations of the Disclosure Document as between the Khmer version of the Disclosure Document.

FORWARD-LOOKING STATEMENTS

This Disclosure Document includes forward-looking statements that reflect LOLC's current views with respect to future events and financial and operational performance, including, but not limited to, statements relating to the risks specific to LOLC's business, the strengths of LOLC, and the implementation of strategic initiatives, as well as other statements relating to LOLC's future business development and financial performance. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "assumes", "projects", "forecasts", "estimates", "expects", "anticipates", "believes", "plans", "intends", "may", "might", "will", "would", "can", "could", "should" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements are not historic facts. They appear in several places throughout this Disclosure Document and include statements regarding LOLC's intentions, beliefs, or current expectations concerning, among other things, financial position, results of operating results, liquidity, growth prospects, strategies, and the industry in which LOLC operates are all relevant factors.

Prospective investors in the debt securities are cautioned that forward-looking statements are not guarantees of future performance and that LOLC's actual financial position, operating results, and liquidity, as well as the development of the industry in which LOLC operates, may differ materially from those made in or suggested by the forward-looking statements contained in this Disclosure Document. LOLC cannot guarantee that the intentions, beliefs, or current expectations upon which its forward-looking statements are based will occur.

By their nature, forward-looking statements involve and are subject to known and unknown risks, uncertainties, and assumptions as they relate to events and depend on circumstances that may or may not occur in the future. Because of these known and unknown risks, uncertainties, and assumptions, the outcome may differ materially from those set out in the forward-looking statements. Important factors that could cause those differences include, but are not limited to: The impact of changes in how many people want LOLC's service and how much it costs; the possible number of customers and the cost of growing the business; expected earnings, cash flow, dividends, and other financial results; new technology and products introduced in LOLC's market; changes in exchange rates; shifts in the overall economy and industry; political, government, social, legal, and regulatory changes; access to funding; and tax audits and reviews.

Section 3, "Information About Risk Factors," discusses some of the risks that could affect LOLC's future results and cause those results to differ materially from the forward-looking statements.

The information contained in this Disclosure Document, including the information set out under Section 3 "Information About Risk Factors," identifies additional factors that could affect LOLC's financial position, operating results, liquidity, and performance. Prospective investors in the debt securities are urged to read all sections of this Disclosure Document and, in particular, Section 3 "Information About Risk Factors" for a more complete discussion of the factors that could affect LOLC's future performance and the industry in which LOLC operates when considering an investment in LOLC.

Save as required by Cambodian law, LOLC and the Underwriter undertake no obligation to publicly update or publicly revise any forward-looking statement, whether because of new information, future events, or otherwise. All subsequent written and oral forward-looking statements from LOLC or individuals acting on its behalf are expressly qualified in their entirety by the cautionary statements mentioned above and found elsewhere in this Disclosure Document.

DISCLAIMER IN RELATION TO REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS DISCLOSURE DOCUMENT

No person has been given the authorization to give any information or to make any representation, except as expressly contained in this Disclosure Document. If given or made, any such information or representation may not be relied upon as having been authorized by LOLC or the Underwriter.

PROSPECTIVE INVESTORS IN JURISDICTIONS OUTSIDE CAMBODIA

The distribution of this Disclosure Document and the offer and sale of the offered securities may be illegal in certain jurisdictions. LOLC and the Underwriter require persons into whose possession this Disclosure Document may come to inform themselves of and observe any restrictions that may apply to this Disclosure Document and the offer and sale of the offered securities in the relevant jurisdiction. This Disclosure Document does not offer securities, sell securities, or solicit offers to buy securities of LOLC in any jurisdiction to or from any person to whom such an offer is unlawful.

Any person in any jurisdiction outside Cambodia, in which the distribution of the Disclosure Document and the offer and sale of the offered securities are not restricted, must seek professional advice in relation to the contents of this Disclosure Document and the relevant laws and system of taxation in Cambodia.

STATUS OF THE ENGLISH VERSION OF THIS DISCLOSURE DOCUMENT

The Khmer version of this Disclosure Document is an official document that has been authorized and registered with the SERC. The official Disclosure Documents may be translated into foreign languages to facilitate investors who do not understand Khmer. Investors using a translated version of this Disclosure Document should be cautious regarding the meaning of certain technical terms in the fields of securities and finance translated into Khmer, as the Khmer language may not have exact equivalent vocabulary for those terms. Translation may lead to a deviation from the commonly used original meaning. Therefore, investors should seek consultation with experts in this field.

The English version of this Disclosure Document is entirely for the convenience of the public investors who are unable to read Khmer. The prospective investor should use the Khmer version as material for making decisions, and the English version serves as a reference purpose only. The Khmer version of this Disclosure Document is the official document authorized and registered with the SERC and shall prevail in the event of any discrepancy.

TRANSLATION OF AMOUNTS INTO KHMER RIEL OR OTHER CURRENCIES

In this Disclosure Document, references to "$," "U.S.$," "USD" or "U.S. dollars" are to United States Dollars. In accordance with the Law on Corporate Accounts, Their Audit, and the Accounting Profession, LOLC prepares its accounts in Khmer language and expresses amounts in Khmer Riels, which are referred to as "Riels" or "KHR."

In this Disclosure Document, references to "$," "U.S.$," "USD" or "U.S. dollars" are to translations of certain amounts into United States Dollars at specified rates solely for the convenience of potential investors based on the fact that the USD is the de facto currency of commerce in the Kingdom of Cambodia. Unless otherwise indicated, the exchange rate is the KHR-USD exchange rate published by the National Bank of Cambodia as of 31 December 2023, 2024 and 2025.

No representation is made that the KHR, USD or any other currency amounts referred to in this Disclosure Document herein could have been or could be converted into KHR, USD or any other currency, as the case may be, at this rate, at any particular rate, or at all.

DISTRIBUTION

The electronic Disclosure Document in Khmer and English can be viewed or downloaded from the CSX website at www.csx.com.kh or at LOLC's website at www.lolc.com.kh and Yuanta Securities (Cambodia)'s website at www.yuantacambodia.com.kh. Prospective investors or viewers may also receive the electronic Disclosure Document via email upon request. By receiving this Disclosure Document through electronic transmission, such as, but not necessarily limited to, as an attachment of an e-mail that was dispatched or circulated by LOLC (or the Underwriter or any of their affiliates, or by downloading this Disclosure Document from the internet websites described in the foregoing, the investors or any other viewers are deemed to have given their full acknowledgement and consent to all notices, disclaimers, conditions, and statements contained or disclosed in this Disclosure Document. Such investors or viewers are reminded of the fact that

this Disclosure Document and any of the content contained herein may subsequently be altered, changed, or updated either (i) during the process of electronic transmission, (ii) pursuant to the applicable laws and regulations, (iii) for the purposes of final registration with the SERC or (iv) at the discretion of LOLC under proper authority, without informing or alerting such investors or viewers in advance.

The aforementioned investors and viewers are further reminded that none of LOLC or the Underwriter or any of their respective directors, officers, employees, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any real or potential discrepancies between the hard copy of the Disclosure Document that has been printed with the proper authority from LOLC and any electronic copy of the Disclosure Document that has not been obtained directly from the authorized websites prescribed herein. LOLC and the Underwriter will provide a hard copy version to such investors and viewers upon due request.

The aforementioned investors and viewers fully acknowledge that they will view the Disclosure Document only on the basis that they are lawfully allowed to do so under the laws of the jurisdiction in which they are located and are reminded that they are not authorized to deliver or forward this Disclosure Document, electronically or otherwise, to any other person.

The investors and viewers who receive this Disclosure Document via e-mail should not reply to such e-mail under all circumstances, and any reply e-mail communications by such investors and viewers will be ignored and rejected. The e-mail containing the Disclosure Document or any subsequent e-mails related thereto are intended only for the recipient(s) that are expressly indicated on such e-mails and any other unintended recipients should immediately notify LOLC or the Underwriter and destroy the relevant e-mails from their system.

The investors and viewers who receive or otherwise come across the Disclosure Document hereby acknowledge and undertake that the Disclosure Document will not be forwarded or distributed to any other person and will not be reproduced in any manner whatsoever. Any forwarding, distribution, or reproduction of the Disclosure Document in whole or in part is unauthorized. Failure to comply with this directive may result in a violation of the applicable laws and regulations of the jurisdiction in which they are in, and none of LOLC or the Underwriter or any of their respective directors, officers, employees, representatives, or affiliates will be liable or responsible for such violation.

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Conventions

Unless stated otherwise, certain financial data, where appropriate and applicable, in this Disclosure Document including, in particular, those contained under Section 7 are derived from the audited financial statements for the years ended 31 December 2023, 2024 and 2025 prepared in accordance with Cambodian International Financial Reporting Standards ("CIFRS") and the guidelines of the National Bank of Cambodia ("NBC") relating to the preparation and presentation of financial statements.

LOLC (Cambodia)'s fiscal year commences on 1 January and ends on 31 December of each year. Unless otherwise stated herein, references to a year is 31 December of that year. For example, a reference to 2024 in a table would be a reference to 31 December 2024.

All references to "Cambodia" contained in this Disclosure Document are to the Kingdom of Cambodia.

All references to KHR are to Khmer Riels, the official currency of the Kingdom of Cambodia.

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SECTION 1: SUMMARY OF DISCLOSURE DOCUMENT

This section does not fully convey all the information necessary to make an informed investment decision and evaluate the prospects of LOLC (Cambodia) Plc. ("LOLC Cambodia" or "LOLC"), and it does not necessarily contain or represent a summary of every aspect of this Disclosure Document. It is important that all readers, including the prospective investors, read the Disclosure Document in its entirety and, in particular, the sections entitled Section 3- "Information about Risk Factors" and Section 7- "Financial Information" for a further discussion of the factors that could affect the future performance of LOLC.

1- General Description of the Bonds being Offered

LOLC is offering KHR 200,000,000,000 with a face value of KHR 100,000 per bond and such bonds are being offered in Cambodia pursuant to the regulations of the SERC and NBC.

	CGCC-Guaranteed Sustainability Bonds ("Guaranteed Bonds")		**Sustainability Bonds ("Unguaranteed Bonds")**	
Issuer	LOLC (Cambodia) Plc. ("**LOLC**")			
Securities Offered	LOLC Guaranteed Sustainability Corporate Bonds 1 ("**Guaranteed Bonds 1**")	LOLC Guaranteed Sustainability Corporate Bonds 2 ("**Guaranteed Bonds 2**")	LOLC Sustainability Corporate Bonds 1 ("**Unguaranteed Bonds 1**")	LOLC Sustainability Corporate Bonds 2 ("**Unguaranteed Bonds 2**")
Currency Denomination	Denominated in Khmer Riel ("**KHR**")			
Settlement Currency	The Guaranteed Bonds 1 shall be settled in US Dollar ("**US$**"). For the purpose of settlement, the KHR/US$ exchange rate of 4,000 KHR per US$ is adopted and fixed from the Subscription Date until the Termination of the Guaranteed Bonds.	The Guaranteed Bonds 2 shall be settled in KHR.	The Unguaranteed Bonds 1 shall be settled in US Dollar ("**US$**"). For the purpose of settlement, the KHR/US$ exchange rate of 4,000 KHR per US$ is adopted and fixed from the Subscription Date until the Termination of the Unguaranteed Bonds.	The Unguaranteed Bonds 2 shall be settled in KHR.
Term	Five (5) years			
Issue Amount	The sum of both Guaranteed Bonds and Unguaranteed Bond shall not exceed KHR 200 billion.			
Number of Bonds Offered	Up to 2,000,000 bonds			

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Face Value	KHR 100,000 per bond			
Issue Price	100 percent of Face Value			
Coupon Rate (p.a)	5.75%		7.00%	
Guarantor	Credit Guarantee Corporation of Cambodia ("**CGCC**")		N/A	
Guarantor Credit Rating	khAAA from Rating Agency of Cambodia		N/A	
Guarantee	CGCC will irrevocably and unconditionally guarantee to the Bondholders' Representative the full and punctual payment of each Guaranteed Amount.		N/A	
Status of the Bonds	The Guaranteed Bonds constitute unsubordinated and unsecured obligations of LOLC. The payment obligations of the Issuer under the Guaranteed Bonds shall, subject to Clause 8.4 (Negative Pledge) of the Terms and Conditions of the Bonds and save for such exceptions as may be provided by applicable laws, rank pari passu and without any preference among themselves, and at least equally with all other unsecured and unsubordinated indebtedness of the Issuer, present and future, and rank ahead of all subordinated debt and the shareholder's equity of the Issuer.		The Unguaranteed Bonds constitute unsubordinated and unsecured obligations of LOLC. The payment obligations of the Issuer under the Sustainability Bonds shall, subject to Clause 7.5 (Negative Pledge) and save for such exceptions as may be provided by applicable laws, rank pari passu and without any preference among themselves, and at least equally with all other unsecured and unsubordinated indebtedness of the Issuer, present and future, and rank ahead of all subordinated debt and the shareholder's equity of the Issuer.	
Subscription Date	10 August 2026 – 18 August 2026			
Issue Date	20 August 2026			
Maturity Date	20 August 2031			
Redemption Schedule	Redemption of the Guaranteed Bonds in accordance with Appendix A of the Conditions.			
Coupon Payment Date	Semi-annually on 20 February and 20 August in each year of the bond life, including the Maturity Date			
Coupon Payment	The Bonds will start to bear interest from the Issue Date, with coupon payable on each Coupon Payment Date. Semi-annual interest on the Bonds will be calculated by multiplying the outstanding principal of the Bonds at the beginning of each Coupon Period by one half of the Coupon Rate, following the Actual/Actual ICMA day count convention.			
Coupon Calculation	Coupon in US$ = Outstanding principal in US$ × Coupon Rate ×1/2 Where outstanding principal in US$ is equal to outstanding	Coupon in KHR = Outstanding principal in KHR × Coupon Rate ×1/2	Coupon in US$ = Outstanding principal in US$ × Coupon Rate ×1/2 Where outstanding principal in US$ is equal to outstanding	Coupon in KHR = Outstanding principal in KHR × Coupon Rate ×1/2

	principal in KHR divided by the pre-determined fixed exchange rate of 4,000 KHR/US$.		principal in KHR divided by the pre-determined fixed exchange rate of 4,000 KHR/US$.	
Day Count Fraction	Actual/Actual ICMA			
Issue Rating	khAAA from Rating Agency of Cambodia		khBBB from Rating Agency of Cambodia	
Use of Proceeds	20% of the net proceeds will be used for Eligible Green Projects, while the remaining 80% will be for Eligible Social Projects, in accordance with the Company's Sustainability Bond Framework.			
Events of Default	Please refer to Clause 13 in the Terms and Conditions of the Bonds.		Please refer to Clause 12 in the Terms and Conditions of the Bonds.	
Underwriter / Lead Manager	Yuanta Securities (Cambodia) Plc.			
Bondholders Representative	Canadia Securities Co., Ltd.			
Registrar, Transfer Agent and Paying Agent	ACLEDA Bank Plc.			
Bondholders' Representative Agreement	The Bondholders' Representative Agreement will be entered into by the Issuer and the Bondholders' Representative. The Bondholders' Representative Agreement regulates the Bondholders' rights and obligations with respect to the Bonds, and it shall be based on the SERC regulation.			
Second Party Opinion	SQS3 Sustainability Quality Score – Good (Moody's, Oct 2025)			
Placement	Public Offering of Debt Securities			
Taxation	All payment by the Issuer in respect of the Bonds shall be made with deduction of any taxes or other duties, if such deduction is required by law.			
Governing Law	Cambodian Law			
Listing	The Bonds are to be listed on the CSX.			
Listing/Start Trading Date	09 September 2026			
Documentation	The "Disclosure Document of LOLC" approved by the SERC.			
Issuer's Website	www.lolc.com.kh			

2- Use of Proceeds

The Sustainability Bond proceeds will be used to increase the loan portfolio and for general corporate purposes under the sustainability bond framework, which allocates funds toward green and social activities.

No	Description	Percent of Net Proceeds	Expected Drawdown Date
1	Green • Renewable Energy • Energy Efficiency • Clean Transportation	20%	2 years after the issuance
2	Social • Employment Generation • Socioeconomic advancement and empowerment • Better Housing Condition • Access to clean water, sanitation, and hygiene • Financial Inclusion	80%	2 years after the issuance

3- General Overview of the Company

As a Cambodia's leading microfinance institution, LOLC (Cambodia) Plc. is renowned for delivering financial solutions that meet the needs of Cambodian families, entrepreneurs and customers who look for economic opportunity to transform the quality of their lives. In 1994, LOLC was founded as a credit program managed by a non-profit organization (Catholic Relief Service) and incorporated as Thaneakea Phum (Cambodia) Ltd. (TPC) in 2002. In 2003, the National Bank of Cambodia licensed TPC as a microfinance institution. In 2015, Thaneakea Phum (Cambodia) Ltd. changed its name to LOLC (Cambodia) Plc. and obtained a microfinance deposit taking license from the National Bank of Cambodia at the same time. Currently, LOLC (Cambodia) Plc. is co-owned by LOLC Asia Private Limited (based in Singapore) and TPC-ESOP Co, Ltd.

LOLC has a track record of more than 32 years, providing socially responsible microfinance services within Cambodia. Over nearly two decades, it grew from a financial institution with merely 227 staff and US$7.8mn in total assets at the end of 2006 into a financial institution with more than 4,035 staff and US$1.58bn in total assets at the end of 2025. During the same period, LOLC increased its GLP by 180-fold, from US$7.3mn to almost US$1.37bn, contributing to the improvement in the livelihood of rural Cambodian people by providing loans to meet their financial needs.

4- Business Strategies and Competitive Strengths

a- Business Strategies

- **Inclusive and Sustainable Growth**

LOLC's strategic focus over the next five years is to drive sustainable growth while maintaining its mission of inclusive, client-centric financial services. The institution will prioritize serving its core client segments with tailored products, optimize delivery channels through a combination of branch networks and digital platforms, and leverage technology to enhance operational efficiency, customer experience, and loan portfolio management.

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At the same time, LOLC will maintain a strong rural focus, expand into urban and middle-income segments, and uphold responsible finance, ESG compliance, and measurable social impact, ensuring that growth is both profitable and socially responsible.

- **Client Segmentation and Product Diversification**

Loan Products: LOLC currently provides a diversified product mix to meet client needs, including Group Loans, Micro Loans, SME Loans, Agricultural Loans, Housing Loans, Life Improvement Loans, Asset-backed Financing (vehicle financial lease), and Digital Loans. etc. These key loan products have been tailored to the needs of five key customer segments: low-income households, micro-entrepreneurs, SMEs, agribusinesses, and middle-class salary earners. In addition to the above loan products, LOLC is also developing Corporate Loans, Prosperity Gold Loans, and Business Value Chain Loans.

Deposit Products: Current offerings include saving account, fixed deposit account, digital saving account, and kid account, all available in both KHR and USD.

Other Products and Services: Besides loans and deposit products, LOLC is also offering other banking services, including money transfer (intra-bank transfers, inter-bank transfers via Bakong), card transactions, mobile banking, and payroll services. While non-interest fee income from other products and services represents a modest part of the overall revenue, LOLC views these services as strategic importance in enhancing customer experience and attracting depositors.

- **Prudent Risk Management and Governance**

Growth is underpinned by a comprehensive risk management framework overseen by the Board of Directors. Board-approved policies, tolerance limits, strong internal controls, and independent internal audits ensure asset protection, regulatory compliance, and maintain high-quality portfolio.

- **Responsible Finance and Sustainability Management/ESG**

LOLC integrates Environmental, Social, and Governance (ESG) principles into its core business strategy and maintains Gold-Level Client Protection Certification. The institution prioritizes inclusive finance to expand access for underserved and low-income populations, promotes gender equality, and advances sustainable initiatives such as green financing and WASH lending. It also strengthens client resilience through financial literacy programs and ensures alignment with the United Nations Sustainable Development Goals (SDGs).

- **Funding and Financial Sustainability**

The funding mix to support the business is from customer deposits, senior loans, and equity. Deposits remain the main source of funding and the other major funding sources are equity, senior loans, and subordinated debts.

b- Competitive Strengths

The following highlights the competitive strengths of LOLC:

- Strong & Experienced Shareholders
- One of Largest Microfinance Deposit-Taking Institutions
- Highly Profitable and Efficient MDI
- Stable and Diversified Funding Source
- Strong and Effective Governance and Internal Controls
- Strong Management Team

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5- Information of Directors, Senior Officers and Shareholders

a- Members of Board of Directors ("BOD")

No	Name	Position
1	Mr. Brindley de Zylva	Chairman
2	Mr. Conrad Dias	Non-Executive Director
3	Mr. Dulip Rasika Samaraweera	Non-Executive Director
4	Mr. Indrajith Wijesiriwardana	Independent Director
5	Mr. Chitral Nalin Wijesinha	Independent Director
6	Mr. Chandana Jayanath Kanwel Gamage Don	Executive Director

b- Senior Officers

No	Name	Position at LOLC
1	Mr. Sok Voeun	➢ From 2014 to Present: Chief Executive Officer ➢ From 2012 to 2014: Deputy Chief Executive Officer ➢ From 2010 to 2012: Chief Operations Officer
2	Mr. Sok Sophal	➢ From 2019 to Present: Deputy Chief Executive Officer ➢ From 2010 to Present: Chief Financial Officer
3	Mrs. Svoeuy Sodyna	➢ From 2018 to Present: Chief Risk Officer ➢ From 2013 to 2018: Head of Risk & Compliance Department ➢ From 2011 to 2013: Senior Risk Officer
4	Mr. Romesh Perera	➢ From 2018 to Present: Chief Channel Officer ➢ From 2017 to 2018: Specialist of Leasing and Asset Finance
5	Mrs. Chheang Kagna	➢ From 2019 to Present: Chief Deposit Officer ➢ From 2016 to 2019: Head of Deposit and Financial Services Department
6	Mr. Duleep Liyanage	➢ From 2018 to Present: Chief Information Officer
7	Mr. Chandana Jayanath Kanwel Gamage Don	➢ From 2026 to Present: Chieft Business Revival and Litigation Officer
8	Mr. Teng Pheap	➢ From 2008 to Present: Head of Internal Audit Department
9	Mrs. Kheng Navy	➢ From 2014 to Present: Corporate Secretary ➢ From 2013 to 2014: Assistant Secretary

c- Shareholders

No	Full name	Description	No. of Shares	Percentage of Ownership
1	LOLC ASIA Private Limited	A private limited company incorporated in Singapore	4,115,192	96.97%
2	TPC-ESOP Co., Ltd.	A private limited company incorporated in Cambodia	128,582	3.03%
Total			**4,243,774**	**100.00%**

6- Risk Factors

The purchase of Bonds may involve substantial risks and is suitable only for investors who have the knowledge and experience in financial and business matters necessary to evaluate the risks and merits of an investment in the Bonds.

The details of the risks relating to the Bonds are further discussed under "Section 3: Information About Risk Factors" in the Disclosure Document.

Key information on the key risks that are	In purchasing the Bonds, investors assume the risk that the Issuer may become insolvent or otherwise may be unable to make all payments due in respect of the Bonds. There are several risk factors, both specific to the

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associated with the Issuer	and relating to the general business environment, which may impact on the operating performance and financial position of the Company and affect future financial performance. Investors should note that the following list is not an exhaustive list of all the risks that LOLC faces or risks that may develop in the future. These factors include but are not limited to: • Credit Risk • Liquidity Risk • Interest Rate Risk • Foreign Currency Risk • Operational Risk • Competition Risk • Political, Legal, Economic and Social Risks • Regulatory Risk
Key information on the key risks that are associated with investing in the Bonds	• The liquidity of LOLC's bonds may be low • Investments in LOLC's bonds are subject to the Company's credit risk • Holders of LOLC bonds are unsecured, senior creditors • The Bonds may not be a suitable investment for prospective investors • LOLC may incur significantly more debt in the future • Risks related to Second Party Opinion
Key information on the key risks that are associated with the Guarantee	• Risk of changes in CGCC's credit rating • CGCC has the right to accelerate repayment of the Bonds following an event of default • CGCC is required to pay under the Guarantee only when certain conditions are met • Risk of changes in governing law

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7- Historical Financial Information

a- Statement of Profit or Loss and Other Comprehensive Income

Description	For the period between					
	January-December 2023 (Audited)		January-December 2024 (Audited)		January-December 2025 (Audited)	
	KHR'000	USD	KHR'000	USD	KHR'000	USD
Interest Income	891,105,944	216,814,098	889,181,399	218,418,423	895,915,452	223,364,610
Interest Expense	(354,216,437)	(86,184,048)	(347,156,997)	(85,275,607)	(290,319,190)	(72,380,750)
Net Interest Income	**536,889,507**	**130,630,050**	**542,024,402**	**133,142,816**	**605,596,262**	**150,983,860**
Fee and Commission Income	22,222,917	5,407,036	16,802,961	4,127,478	18,368,020	4,579,412
Fee and Commission Expense	(832,034)	(202,441)	(641,516)	(157,582)	(673,518)	(167,918)
Net Fee and Commission Income	**21,390,883**	**5,204,595**	**16,161,445**	**3,969,896**	**17,694,502**	**4,411,494**
Other Operating Income	5,671,028	1,379,812	8,816,472	2,165,677	13,153,974	3,279,475
Other (losses)/gains-net	2,892,912	703,872	(1,712,699)	(420,707)	5,902,526	1,471,585
Credit Impairment (losses)/reversal	19,600,358	4,768,944	(110,687,157)	(27,189,181)	(115,257,081)	(28,735,248)
Net Losses on Derecognition of Financial Assets Measured at Amortized Cost	(29,849,686)	(7,262,697)	(25,999,966)	(6,386,629)	2,919,807	727,950
Net Other Operating Loss	**(1,685,388)**	**(410,069)**	**(129,583,350)**	**(31,830,840)**	**(93,280,774)**	**(23,256,238)**
Personnel Expenses	(148,471,679)	(36,124,496)	(149,481,354)	(36,718,584)	(162,229,259)	(40,446,088)
Depreciation and Amortization Charges	(14,201,166)	(3,455,272)	(14,723,746)	(3,616,739)	(14,715,233)	(3,668,719)
Other Operating Expenses	(54,831,042)	(13,340,886)	(58,860,195)	(14,458,412)	(81,095,887)	(20,218,371)
Profit before income tax	**339,091,115**	**82,503,922**	**205,537,202**	**50,488,137**	**271,969,611**	**67,805,938**
Income tax expense	(69,005,113)	(16,789,565)	(42,693,330)	(10,487,185)	(59,816,721)	(14,913,169)
Profit for the year	**270,086,002**	**65,714,357**	**162,843,872**	**40,000,952**	**212,152,890**	**52,892,769**

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b- Statement of Financial Position

Description	The period ended					
	31-December-2023 (Audited)		31-December-2024 (Audited)		31-December-2025 (Audited)	
	KHR'000	USD	KHR'000	USD	KHR'000	USD
Assets						
Cash on hand	124,372,008	30,446,024	108,021,390	26,837,612	92,180,590	22,970,493
Deposits and placements with the National Bank of Cambodia	134,192,224	32,849,994	221,714,379	55,084,318	139,948,084	34,873,682
Deposits and placements with banks	672,287,486	164,574,660	556,774,147	138,328,981	463,605,580	115,525,936
Investment securities at amortised cost	-	-	3,339,960	829,804	3,324,861	828,523
Investment in Associate	-	-	-	-	4,013,000	1,000,000
Financial assets at fair value through other comprehensive income	61,275	15,000	60,375	15,000	60,195	15,000
Loans and advances at amortised cost	5,003,139,376	1,224,758,721	5,135,970,992	1,276,017,638	5,242,505,943	1,306,380,748
Statutory deposits with the National Bank of Cambodia	371,611,761	90,969,831	339,868,390	84,439,352	340,478,606	84,843,909
Property and equipment	12,145,516	2,973,198	9,624,545	2,391,192	9,353,353	2,330,763
Right-of-use assets	28,661,010	7,016,159	30,640,659	7,612,586	29,560,613	7,366,213
Intangible Assets	7,818,094	1,913,854	11,814,205	2,935,206	10,549,759	2,628,896
Deferred Tax Assets-Net	29,627,908	7,252,854	23,543,707	5,849,368	-	-
Other Assets	20,679,113	5,062,207	20,787,876	5,164,690	23,027,947	5,738,337
Total Assets	**6,404,595,771**	**1,567,832,502**	**6,462,160,625**	**1,605,505,747**	**6,358,608,531**	**1,584,502,500**
Liabilities and Equities						
Liabilities						
Deposits From Banks and Other Financial Institutions	193,575,862	47,386,992	336,956,689	83,715,948	269,871,824	67,249,395
Deposits From Customers	3,498,928,575	856,530,863	3,693,593,747	917,663,043	3,814,670,116	950,578,150
Borrowings	884,096,100	216,424,994	592,478,916	147,199,731	361,568,498	90,099,301
Lease Liabilities	27,481,666	6,727,458	28,859,765	7,170,128	27,762,781	6,918,211
Current Income Tax Liabilities	50,339,592	12,323,034	28,116,358	6,985,431	26,519,092	6,608,296
Deferred Tax Liabilities-Net					549,917	[illegible]
Employee Benefits	2,099,290	513,902	1,826,652	453,827	1,566,852	390,344
Other Liabilities	39,263,064	9,611,521	37,343,832	9,277,970	43,456,183	10,828,854
Subordinated Debts	253,753,175	62,118,280	178,978,277	44,466,653	68,736,671	17,128,500
Total Liabilities	**4,949,537,324**	**1,211,637,044**	**4,898,154,236**	**1,216,932,731**	**4,614,701,934**	**1,149,938,185**

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Equity						
Share Capital	424,377,400	103,969,218	424,377,400	103,969,218	424,377,400	103,969,218
Retained Earnings	623,203,250	153,048,830	578,409,737	141,614,157	646,262,261	158,544,691
General Reserves	380,415,116	93,768,951	380,415,116	93,768,951	380,415,116	93,768,951
Regulatory Reserves	21,938,040	5,367,761	49,192,708	12,139,107	173,127,727	43,022,491
Other Reserves	5,124,641	1,254,502	131,611,428	32,679,791	119,724,093	29,717,584
Currency Translation Reserves		(1,213,804)		4,401,792		5,541,380
Total Equity	**1,455,058,447**	**356,195,458**	**1,564,006,389**	**388,573,016**	**1,743,906,597**	**434,564,315**
Total Liabilities and Equities	**6,404,595,771**	**1,567,832,502**	**6,462,160,625**	**1,605,505,747**	**6,358,608,531**	**1,584,502,500**

c- Statement of Cash Flow

Description	For the period between					
	January-December 2023 (Audited)		January-December 2024 (Audited)		January-December 2025 (Audited)	
	KHR'000	USD	KHR'000	USD	KHR'000	USD
Cash flows from operating activities						
Cash (used in)/generated from operations	256,281,782	62,355,666	(51,544,368)	(12,661,354)	(313,575,463)	(78,178,874)
Interest received	890,607,708	216,692,873	857,923,480	210,740,231	852,543,466	212,551,350
Interest paid	(340,407,104)	(82,824,113)	(358,883,118)	(88,156,010)	(299,469,944)	(74,662,165)
Income tax paid	(74,027,325)	(18,011,515)	(58,832,363)	(14,451,575)	(37,320,363)	(9,304,503)
Employee benefits paid	(7,355,020)	(1,789,542)	(7,543,083)	(1,852,882)	(7,421,082)	(1,850,182)
Net cash generated from operating activities	**725,100,041**	**176,423,369**	**381,120,548**	**93,618,410**	**194,756,614**	**48,552,626**
Cash flows from investing activities						
Deposits and placements with the National Bank of Cambodia	(269,560)	(65,586)	(41,980,661)	(10,312,125)	46,757,181	11,657,238
Investment in Associate					(4,011,000)	(1,000,000)
Purchases of investment securities at amortized cost			(3,346,213)	(821,963)	-	
Purchases of property and equipment	(9,256,605)	(2,252,215)	(2,894,453)	(710,993)	(5,157,433)	(1,285,822)
Purchases of intangible assets	(3,024,926)	(735,992)	(6,295,155)	(1,546,341)	(514,983)	(128,393)
Proceeds from disposals of property and equipment	550,858	134,029	291,330	71,562	200,353	49,951
Net cash used from/(used) in investing activities	**(12,000,233)**	**(2,919,764)**	**(54,225,152)**	**(13,319,860)**	**37,274,118**	**9,292,974**

Cash flows from financing activities						
Proceeds from borrowings	97,365,032	23,689,789	121,160,750	29,761,914	136,829,165	34,113,479
Proceeds from subordinated debts					(364,608,580)	(90,902,164)
Repayments of borrowings	(479,619,214)	(116,695,673)	(401,676,040)	(98,667,659)		
Repayments of subordinated debts	(54,382,800)	(13,231,825)	(71,111,400)	(17,467,797)	(108,631,800)	(27,083,470)
Payment of transaction costs	(290,518)	(70,686)	(660,750)	(162,307)	(680,165)	(169,575)
Payment of dividend to shareholders	(10,096,982)	(2,456,687)	(53,895,930)	(13,238,990)	(32,252,682)	(8,041,058)
Principal element of lease payments	(5,931,236)	(1,443,123)	(7,839,501)	(1,925,694)	(7,531,334)	(1,877,670)
Net cash used in financing activities	**(452,955,718)**	**(110,208,205)**	**(414,022,871)**	**(101,700,533)**	**(376,875,396)**	**(93,960,458)**
Net (decrease)/increase in cash and cash equivalents	**260,144,090**	**63,295,400**	**(87,127,475)**	**(21,401,983)**	**(144,844,664)**	**(36,111,859)**
Cash and cash equivalents at beginning of the year	672,183,723	163,270,275	932,327,813	228,232,023	845,200,338	209,987,662
Currency translation differences		1,666,348		3,157,620		645,920
Cash and cash equivalents at end of the year	**932,327,813**	**228,232,023**	**845,200,338**	**209,987,660**	**700,355,674**	**174,521,723**

(The remaining part is intentionally left blank)

SECTION 2: INFORMATION RELATING TO THE OFFERING FOR THE SALE OF THE BONDS

1- Description of the Bonds Being Offered

The Bonds are subject to the Terms and Conditions in the form attached as "Appendix 1: Terms and Conditions of the Guaranteed Sustainability Corporate Bonds" and "Appendix 2: Terms and Conditions of the Sustainability Corporate Bonds" to this Disclosure Document. Please refer to General Description of the Bonds and the offering for the terms of the Bonds being offered and the material terms under the Terms and Conditions, and the Bondholders' Representative Agreement. Unless otherwise defined in this section, capitalized terms used herein have the same meaning given to them in the Terms and Conditions.

2- Summary of LOLC's Sustainability Bond Framework

LOLC has established this Sustainability Bond Framework ("The Framework") as part of its broader sustainability strategy, aiming of focusing on assets with positive environmental and social impact.

The Framework is aligned with the ICMA Sustainability Bond Guidelines (SBG) 2021, ICMA Green Bond Principles (GBP) 2025 and Social Bond Principles (SBP) 2025, as well as the ASEAN's Sustainability Bond Standards (ASUS) 2018, which combines the ASEAN Green Bond Standards (AGBS) 2018 and the ASEAN Social Bond Standard (ASBS) 2018. These are a set of voluntary guidelines aimed at promoting transparency, disclosure, and integrity in the growth of the green, social, and sustainable bond markets. LOLC's Sustainability Bond Framework serves as a comprehensive framework enabling the institution to issue Sustainability Bonds.

LOLC guarantees its commitment to follow the guidelines outlined in this Framework for issuance of the Sustainability Bonds, encompassing (a) Use of Proceeds, (b) Project Evaluation and Selection, (c) Management of Proceeds and (d) Reporting as set out in this Framework.

a- Use of Proceeds

The proceeds of the Sustainability Bond will finance eligible green and/or social projects. The projects and assets eligible for funding are required to meet LOLC's Green and Social Eligibility Criteria and be aligned with ICMA SBG, ICMA GBP and SBP, as well as ASUS, which combines AGBS and ASBS.

Eligible green projects require environmental benefits such as a reduced carbon footprint and vulnerability of communities to climate change. Eligible social projects require positive social outcome by providing loans for job creation, business expansion, agriculture activities, clean water, sanitation accessing, and home improvement. The population of eligible green and social project include:

(i) Individuals or corporate who utilize loans for the purpose of renewable energy, energy efficiency, and clean transportation.
(ii) Underserved, owing to a lack of quality access to essential goods and services such as women and those living in rural areas.
(iii) Low-income household: Their households income eligible to access loan size up to USD 3,000.
(iv) Micro, small, and medium enterprise (MSMEs) that operate in manufacturing, commercial, service and agriculture, forestry, fishing, and other sectors.

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All designated green and social projects should provide clear environmental and social benefits, which are assessed and quantified by LOLC.

a-1 Eligible Green Categories

The eligibility is defined in areas of end-use energy efficiency or renewable energy. The project must meet a set of criteria that define the projects that contribute to support climate adaptation and mitigation, aligning with Cambodia's climate priorities and Sustainable Development Goals (SDGs). The criteria are based on the scientific consensus on what activities are most effective at mitigating climate change as below table.

The net proceeds from the Sustainability Bond will be allocated to finance or refinance projects and assets that fulfill LOLC's Green Eligibility Criteria, as outlined below:

Eligible Categories	Eligible Criteria	Eligible Projects / Activities
Renewable Energy	With this category, LOLC aims to finance eligible Green Loans that pertain to renewable energy (solar energy) sourced from natural resources which are replenished on a human timescale.	• Renewable energy technologies or equipment
Energy Efficiency	Finance to eligible Green Loans related to the development and implementation of products or technologies that reduce energy consumption/C02 emission.	• New technologies or equipment that reduce energy consumption/save C02 emission at least 20% including hybrid vehicles*

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Clean Transportation	Finance to eligible Green Loans that related to clean vehicles and clean transportation projects which refers to modes of transportation that produce minimal or no emissions of pollutants and greenhouse gases.	• Clean vehicles and clean transportation projects including electric vehicles

**A hybrid vehicle uses more than one means of energy, combing a petrol or diesel engine with an electric motor, and the two systems work with each other to move the vehicle. This allows the vehicle to burn less gasoline, achieving better fuel efficiency than a traditional engine that solely uses fuel does.*

a-2 Eligible Social Categories

The eligibility is defined in areas of employment generation, socioeconomic advancement and Socioeconomic Advancement and Empowerment, better housing condition, access to clean water, sanitation, and hygiene, as well as financial inclusion are aligned with those recognized by the SBP. The projects financed under this framework will deliver a positive social impact in Cambodia are listed as below table.

The proceeds will be allocated to finance or refinance projects and assets that fulfil LOLC's Social Eligibility Criteria as outlined below, while also meeting the requirement of serving LOLC's target populations.

Eligible Categories	Eligible Criteria	Eligible Projects / Activities
Employment Generation	Within this category, LOLC aims to finance eligible micro, small and medium enterprises (MSMEs) which comply and meet the definition of Micro-, Small, and Medium-size enterprises with loan size more than USD 10,000. Those businesses create employed jobs and/or self-employed (entrepreneurs).	• Small and Medium Enterprise Loans (SME) that support employment generation in micro, small and medium enterprises (MSMEs).
Socioeconomic Advancement and Empowerment	Under the Socioeconomic Advancement and Empowerment (Equal Opportunities) category, LOLC will finance the loans to underserved (women in rural areas) in purpose to expand their small agriculture activities with loan size more than USD 3,000 up to USD 10,000.	• Individual Loans (IL), Group Loans (GL) and Seasonal Loans (SNL) are given to target female clients living in rural areas to expand their small agriculture activities.

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Better Housing Condition	Within this category, LOLC aims to finance by offering to those borrowers who need to have their existing houses fixed or renovated in order to get better living conditions.	• Home Improvement Loans (HIL) can make client's home more comfortable and liveable, improving quality of life.
Access to Clean Water, Sanitation, and Hygiene	Under the access to clean water, sanitation, and hygiene category, in this category, LOLC will finance to a target population for improvement their health and wellbeing, and quality of life.	• Individual Loan (IL), Group Loan (GL), Small and Medium Enterprise Loans (SME), WASH Loans (WIL) and Seasonal Loan (SNL) provide people with access to clean, safe water, which can improve their health and wellbeing, quality of life.
Financial Inclusion	Within financial Inclusion category, LOLC will also finance loans to female clients living in rural areas who lack access to mainstream sources of finance particularly or incomes below the poverty line as per national definitions or their household's income eligible to access loan size up to USD 3,000.	• Individual Loans (IL), Group Loans (GL), and Seasonal Loans (SNL) can help female clients living in rural areas to start or expand their microbusinesses, which can lead to increase income and employment opportunities.

Underdeveloped areas in Cambodia are defined as those regions in which GDP per capita is below Cambodia's average.

a-3 Responsible Lending Practices

LOLC will not use the proceeds of any Green, Social or Sustainability issuance to finance projects/businesses involved in the following activities:

No	Prohibited Activities List/Exclusion List
1	Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, including without limitation host country requirements related to environmental, health and safety and labor aspects
2	Production or trade in weapons and munitions
3	Production or trade in alcoholic beverages (excluding beer and wine)
4	Production or trade in tobacco
5	Gambling, casinos and equivalent enterprises
6	Trade, production, breeding or possession of animals, plants or any natural products in breach of the provisions of CITES

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7	Production or trade in radioactive materials
8	Production or trade in or use of unbonded asbestos fibers
9	Commercial logging operations or purchase of logging equipment for use in primary tropical moist forest
10	Production or trade in pharmaceuticals subject to international phase outs or bans
11	Production or trade in pesticides/herbicides subject to international phase outs or bans
12	Drift net fishing in the marine environment using nets in excess of 2.5 km in length
13	Production or activities involving harmful or exploitative forms of forced labor/harmful child labor
14	Production or trade in products containing PCBs
15	Production or trade in ozone depleting substances subject to international phase out
16	Production or trade in wood or other forestry products from unmanaged forests
17	Production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals. Hazardous chemicals include gasoline, kerosene, and other petroleum products
18	Production or activities that impinge on the lands owned, or claimed under adjudication, by Indigenous Peoples, without full documented consent of such peoples
19	Business activities that could cause the land dispute, land loss, the loss of land possession, land use restriction, not allowing for residential enjoyment or other business operations thereon, and business activities that could cause evacuation and involuntary resettlement
20	Any business relating to pornography or prostitution
21	Persistent Organic Pollutants (POPS), GHG emission, Carbon (Co2), water pollution and ground water contamination
22	Plantation projects that would require the removal of existing non-degraded natural forest
23	Cross-border trade of waste, except those authorized by the Basle convention and its underlying regulations
24	Business activities involving the production or generation of significant amount of solid and liquid/water waste
25	Business activities that could cause hug explosion, hug dust, smoke, disturbing noise, causing adverse effect the safety and security of daily work, and living of people in the surrounding area
26	Business activities involving the use of high volume of electricity/power, paper or water that could cause interruption to the neighboring community. Business activities that seen overexploitation natural resources
27	Production and distribution or participation to racist, anti-democratic media or media advocating discrimination of one part of a population
28	Sector with little linkage effects, high risks and /or subject to speculation, e.g. Real Estate
29	Production or services, which cause recognized and serious damage to the natural environment and are forbidden under the laws of Cambodia for that reason
30	Projects involving the construction of large dams that significantly and irreversibly
31	Projects in, impacting, or cause the loss of natural World Heritage Sites such as memorial/worship/holy site, farmland, village or community
32	Projects in or impacting areas on the United Nations List of National Parks and Protected Areas
33	Extraction or infrastructure projects in or impacting protected area Categories I, II, III, and IV as defined by the International Union for the Conservation of Nature
34	Activities that could cause Significant Environmental Harm, loss of living thing, loss habitats to the life of rare species and common species. Business activities could cause the rising of unfriendly species, invasion of alien species, epidemic disease/cholera
35	Located in or sufficiently near sensitive locations of national or regional importance to have perceptible environmental impacts
36	Giving or receiving gifts that could be interpreted as intending to influence business decisions
37	Making political contributions, i.e., to political parties or candidates
38	Abusing confidential or material, non-public information
39	Financial or economic crime, including involvement in money laundering
40	Illegal or deceitful recording and reporting of financial and/or tax information
41	Business transactions where the price for goods or services is set artificially high
42	Any equipment, sector, or service subject to economic sanctions issued by the United Nations, the European Union or France, without absolute or relative restriction regarding the amount

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43	Illicit trade or activities that facilitate the illicit traffic of cultural property
44	Illicit activities involving organs, tissues and products of the human body, or genetic engineering activities banned by the national bioethical standards of France or of the host country, and by relevant applicable European or international standards
45	Projects whose purpose and/or approach are inconsistent with human rights, and in the case of private sector financing, projects underpinned by rationales that clearly contradict the United Nations Guiding Principles on Business and Human Rights
46	Crude oil refineries and installations for the gasification and liquefaction of 500 tons or more of coal or bituminous shale per day.

a-4 Environmental and Social Awareness/Assessment

LOLC will carry out Environmental and Social awareness/assessment with all loans that proceeds of any Green, Social or Sustainability issuance:

- For loans which are lower than USD 30,000, environmental and social awareness are discussed with clients on risk areas and give suggestions for improvement.
- For SME which are bigger than or equal to USD 30,000, a comprehensive tool is fully integrated into the lending process.

The detailed assessment is conducted to evaluate whether the impact is low, medium or high. Then, suggestions will be made to the client for their awareness and improvement. As an ongoing approach, the progress of environmental and social assessment is also monitored by sustainability management team and checked by quality assurance and internal audit.

High-risk clients will be informed that the entity granting her/him the loan will take a visit during periodic review to evaluate the client's activities and if there is a negative impact to the environmental, health and safety, and labor aspects. Clients that are found to be noncompliant with environmental, health and safety, and labor aspects stipulated in the loan may see their loans called, in line with bank procedures, and may no longer be able to obtain a new loan.

Additionally, LOLC will ensure client protection and prevention of over indebtedness through the establishment of client recourse mechanisms, the provision of financial literacy for clients and adherence to the standards of the National Bank of Cambodia and Client Protection Principles.

b- Process of Project Evaluation and Selection Process

LOLC will use the proceeds generated from its Sustainability Bond to fund new projects or assets that meet the specified project eligibility criteria. The aim is to allocate all the funds within a span of two years after the offering is made. LOLC's project evaluation and selection process is executed through a dedicated Sustainable Bond Working team comprising representatives from various corporate departments coordinated by Sustainability Management Department (SMD) with the oversight of Deputy Chief Executive Officer (DCEO). The head of Sustainability Management Department (HSMD) is tasked with reviewing and recommending to Chief Executive Officer for approving eligible green and social projects, after the initial selection by the company's Credit Department.

All projects that are chosen by LOLC's SMD and Credit Department to be included in the Sustainable Bond Portfolio will undergo prior and independent evaluation based on internal policies and procedure for managing environmental and social risks. Once a project qualifies as an Eligible Project and becomes part of the Sustainable Bond Portfolio, it will remain in the portfolio unless it encounters termination, expiration, or no longer fulfils the aforementioned eligibility criteria.

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Classifying the level of environmental and social risk based on the national and international Environmental and Social Risk Categorization List and activities, projects or actions within sectors are checked in order to ensure the compliance with the Environmental and Social National Laws and Regulations (requires relevant documents, permits and licenses), conducting routine site visit, checking if all borrowers (legal entities) commit to respect and apply national regulations of environmental, social, labour, occupational health and safety policies.

LOLC has formalized an environmental and social impact assessment process to all loan products and loan sizes on project finance prior to the project selection process which incorporates an E&S risk assessment toolkit comprising 6 questions around 2 pillars of the borrower's business risk level and risk management quality.

c- Management of Proceeds

Management of Funds: The Finance department will oversee the management of funds on the bond-to-bond approach. The Corporate Treasury Department at LOLC will monitor and regulate the utilization of funds from each offering. If a portion of the proceeds from the bond issuance is not immediately allocated to eligible assets, the unallocated proceeds will be held in a bank account as liquid assets until they can be redirected towards eligible assets. During the duration of an offering, if an asset financed by the funds from the Sustainability bond matures or is sold, LOLC will strive to reallocate an equivalent amount of funds towards eligible projects and assets.

Allocation of Funds: The allocation of funds in the bond-to-bond approach involves careful management by the Finance department. Unallocated proceeds from the bond issuance will be held in a bank account as liquid assets until they can be directed towards eligible assets. The Corporate Treasury Department at LOLC will oversee this process and ensure that funds are allocated appropriately.

Reallocation of Funds: When an asset financed by the funds from the Sustainability bond matures or is sold, LOLC will make effort to reallocate an equivalent amount of funds towards eligible projects and assets. This reallocation process ensures that the funds from the bond issuance continue to support sustainable development initiatives.

d- Reporting

d-1 Allocation Reporting by LOLC

LOLC strives to maintain transparency and accountability by aiming to release an Allocation Report regarding the utilization of proceeds from LOLC's Green, Social, and/or Sustainability Bonds issued under this Framework. This report will provide a detailed description of LOLC's Eligible Loan Portfolio.

LOLC is dedicated to maintaining transparency and accountability in its financial practices by committing to provide annual reports until the complete allocation of funds to eligible assets is achieved. This commitment ensures that stakeholders are kept informed about the progress and status of the investments made through its Sustainability Bond. Furthermore, LOLC will continue to update these reports in the event of any significant changes within its eligible loan portfolio, thereby ensuring that all relevant information is communicated effectively until the bond reaches maturity. This proactive approach not only reinforces LOLC's dedication to sustainable finance but also enhances trust among investors and stakeholders by providing them with timely and pertinent updates regarding their investments.

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Every annual report will be done by the Sustainability Management Department for sustainability committee to justify and recommend to Board of Directors for approval, ensuring its accuracy and compliance. Once approved, these reports will be accessible to the public on LOLCs Official website (https://www.lolc.com.kh).

LOLC's Allocation Report aims to provide comprehensive disclosure regarding the utilization of proceeds from LOLC's Sustainability Bond. The report will include the following information:

1. A brief description of categories of assets to which proceeds have been allocated and the total amount of proceeds allocated to such eligible loans,

2. The total amount of an issuance's unallocated proceeds, if any

3. Aggregated qualitative and quantitative indicators (when possible) related to the Eligible Loan Portfolio, such as:

- Total volume of Green, Social, and Sustainability Bonds issued
- Total amount and number of Eligible Loans
- Breakdown of Eligible Loans by category
- Geographic distribution of Eligible Loans
- Balance of unallocated proceeds, if applicable
- Proportion of proceeds used for financing purposes.

d-2 Impacting Reporting by LOLC

LOLC's impact report will include relevant Key Performance Indicators (KPIs) presented in aggregate form at the Eligible Category level for LOLCs Sustainability Bond. LOLC will provide expected and realized qualitative and, where feasible, quantitative environmental and social impact indicators of the assets to which the proceeds have been allocated. The impact report will be reviewed by an independent internal audit team and reported annually until the maturity of the bond.

LOLC's Treasury Department, Finance Department, Credit Department, and SMD are collectively responsible for producing the impact report. This report aims to enhance comparability and transparency by providing detailed information about the impact indicators, along with the methodologies and assumptions utilized for calculations.

Eligible Green Categories	Key Performance Indicators
Renewable Energy	• Estimated annual GHG emission saving (tC02e) • Number of items financed
Energy Efficiency	• Estimated annual GHG emission saving (tC02e) • Number of items financed
Clean Transportation	• Estimated annual GHG emission saving (tC02e) • Number of electric vehicles financed

Eligible Social Categories	Key Performance Indicators
Employment Generation	• Estimated number of jobs created/hires • Number & average amount of the MSME loans
Socioeconomic Advancement and Empowerment	• Number of female farmers who are living in rural areas reached
Better housing condition	• Number of house renovation/improvements
Access to clean water, sanitation, and hygiene	• Number of clients access to better sanitation (latrine, water filter...) and better water connection (well, water irrigation...)
Financial Inclusion	• Number of loans reach to female low-income household living in rural areas

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e- External Review

e-1 Second Party Opinion

LOLC ensures the transparency and strength of its Framework by subjecting it to verification and approval by an external second opinion by Moody's. This verification process confirms the alignment of the framework with the ASEAN's Sustainability Bond Standards and the ICMA's Sustainability Bond Guidelines. The Second Party Opinion obtained from Moody is made publicly available on LOLC's website, further promoting transparency and accountability in LOLC's sustainable finance practices.

e-2 Audit of the Allocation Report

LOLC ensures the integrity and compliance of its Sustainability Bond issued under this Framework by engaging an external auditor/provider. The external auditor/provider will conduct a verification process until the proceeds of issuance are fully allocated to eligible assets or invested in approved financial instruments. This verification includes assessing LOLC's adherence to defined approval procedures and confirming that an amount equivalent to the net proceeds of the Sustainability Bond has been appropriately allocated to Eligible Loans specified in the Framework.

e-3 Enhancing Transparency and External Review

Future iterations of the Framework will incorporate any potential changes to the ICMA SBG, ICMA GBP and SBP or developments related to the ASUS, which combines the AGBS and ASBS. These revisions will aim to maintain or enhance the existing levels of transparency and reporting, while also introducing provisions for external review by an eligible or accredited entity adhering to the prevailing principles or standards in place.

3- Valuation Method

LOLC will issue the Bonds at par value, meaning that the bond price and the nominal value are equal, and the yield to maturity and the coupon rate are the same.

To reduce uncertainties and avoid assumptions, the Underwriter and the issuer determine the coupon rates through binding Letter of Intent (Binding Offer) from a select number of potential investors that have submitted a satisfactory non-binding Letter of Intent (Non-Binding Offer).

4- Procedure for Interest and Principal Payments of the Bonds

For details, please see attached in this Disclosure Document as "Appendix 1: Terms and Conditions of the Guaranteed Sustainability Bonds" and "Appendix 2: Terms and Conditions of the Sustainability Bonds."

5- Bondholders' Rights

Bondholders' rights mean all rights relating to the Bonds under the Terms and Conditions including, without limitation, the right to receive payment of the principal and interest on the Bonds and the right to attend and vote at meetings of the Bondholders.

6- Terms and Conditions of the Bonds

For details, please see attached in this Disclosure Document as "Appendix 1: Terms and Conditions of the Guaranteed Sustainability Bonds" and "Appendix 2: Terms and Conditions of the Sustainability Bonds."

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7- Information of Underwriter

For the Bond transaction, the Issuer has appointed the Underwriter whose name and address are as specified in below table: General Information of the Underwriter. In respect of the arrangement for the offering and sale of the Bonds, the Underwriter agrees to manage, arrange, and procure subscriptions by an investor in accordance with and subject to the terms and conditions specified in the Underwriting Agreement between the Issuer and the Underwriter. In performing such duties, the Underwriter: (i) has already obtained all relevant license(s) required under the applicable laws and regulations of Cambodia; (ii) must comply with other relevant regulations applicable to it in relation to the offering and allocation of the Bonds.

a- General Information of Underwriter

Name of the Company	Yuanta Securities (Cambodia) Plc.
Address	4th Fl, Emerald Building, No. 64 (corner St. 178), Norodom Blvd, Phnom Penh, Cambodia
Phone / fax number	+855 (0)23 860 800 / +855 (0)23 224 126
Website	www.yuantacambodia.com.kh
Email	yuanta@yuantacambodia.com.kh
Company registration number	00014552
Registration date	29 April 2015
License number	007 ន.ម.ក / ក.ធ
License date	03 December 2024

b- Summary of the Underwriting Agreement

The underwriting agreement is made between the Issuer and Underwriter (hereinafter the "Underwriting Agreement"). Below is the summary of the Underwriting Agreement, but we do not include the entire agreement.

Based on the SERC's approval and CSX's approval on listing the Bonds and based on the terms and conditions as stated in the Underwriting Agreement, the Underwriter undertakes to complete the Public Offering on behalf of the Issuer on a best-effort basis only.

Power, authorization and duties of the Underwriter:

- Co-ordinates due diligence on LOLC;
- Liaises with LOLC's legal, accounting and other professional advisors and co-ordinates meetings with such advisors;
- Assists LOLC in the preparation of disclosure documents and any other necessary documents to be drafted and signed off by LOLC in relation to the bond transaction;
- Assists in the preparation of documents, including application forms for submission to the relevant regulatory authorities of Cambodia including SERC and CSX;
- Assists LOLC in obtaining all necessary approvals and/or waivers from the SERC and the CSX;
- Advises LOLC and liaises with LOLC's external advisors as appropriate, in relation to any publicity and marketing arrangements, and organizes any meetings designed to introduce potential institutional investors;
- Advises on the structure, size, timing and method of the offering in Cambodia and prepares a report on such matters for submission to the board of directors of LOLC;
- If requested, attends meetings of the board of directors of LOLC to explain and respond to questions relating to the bond transaction;

- Provides general advice on the issuance of Bonds in Cambodia; and
- Carries out any other work which may be agreed upon between LOLC and Underwriter from time to time.

8- Bond Offering Method

The Offering of the Bonds will be made in accordance with Prakas on Public Offering of Debt Securities dated 17 August 2017.

9- Subscription and allocation

For more information, please refer to "The Guideline on the Subscription, Allocation, and Refund" of the Disclosure Document.

Subscription Period	13-22 July 2026
Total Number of Bonds Offered	Up to 2,000,000 units of debt securities
Offering Price per Unit of Bond	KHR 100,000

10- Other Expenses Related to the Bond Issuance

Estimated amounts of fees and expenses incurred in connection with the Bond offering:

Fee for submission and registration of Disclosure Document	KHR 12 million
Other expenses*	Estimated KHR 1.8 billion

*Other expenses include the approximate fee payable to the relevant third parties, e.g. the Underwriter, Bondholders' Representative, the Registrar, Legal Advisors, Application Fee for registering the Bonds with the CSX.

11- Credit rating

Please refer to the credit rating report of the Bonds in "Appendix 6: Credit Rating Report of the Bonds."

(The remaining part is intentionally left blank)

SECTION 3: INFORMATION ABOUT RISK FACTORS

An investment in the Issuer carries inherent risks that should be carefully evaluated. Prospective investors are strongly advised to conduct their own due diligence, with the support of independent financial, legal, and professional advisors, before making any investment decision. The following risk factors, together with other considerations outlined in this Disclosure Document, represent key issues that could materially impact on the Issuer's financial performance, market outlook, and ability to meet its obligations under the Bonds. It is important to note that certain risks are contingent and may or may not materialize. The Issuer cannot forecast the probability of such events. However, should any of these risks occur, they could adversely affect revenue generation, profitability, liquidity, or solvency, with potential consequences for bondholders.

The risks discussed herein reflect those deemed material by the Issuer's directors at the time of publication. Nonetheless, additional risks, whether currently unknown or not considered material, may arise in the future and could negatively affect the Issuer's financial condition, operating performance, and, consequently, the market value of the Bonds. Investors should therefore adopt a comprehensive view of all information presented in this document. The presentation of risks does not necessarily indicate their relative significance or likelihood.

1- Risks Relating to the Issuer

The Issuer operates in the banking and financial services industry. Hence, exposure to credit risk, liquidity risk, interest rate risk, foreign currency risk, operational risk, competition risk, political, economic, social and legal risks, and regulatory risk arises in the normal course of issuer's business.

a- Credit Risk

Credit risk refers to the potential risk that a counterparty may fail to fulfill its obligations as agreed with the issuer. This exposure primarily stems from lending activities, resulting in loans to customers. An increase in the number of counterparties failing to meet their commitments could lead to financial losses for the company and negatively impact on its operational performance.

Opinion of Management and Risk Mitigation

The credit risk management is carried out by LOLC's credit committee, and the lending activities are guided by LOLC's credit policy to ensure that the loan portfolio is strong and healthy while credit risks are well diversified. LOLC employs a range of policies and practices to mitigate credit risk and plans to continue to control and sustain minimal credit risk. Although LOLC's NPL ratio (by NBC definition) rose to 11.1% as at the end of 2025, it remains within industry norms. The NPL is largely made up of sub-standard and doubtful loans rather than loss-classified assets. LOLC boasts the highest solvency ratio among all MDIs in 2024, well above the minimum regulatory requirement set by the NBC. At the end of 2025, its Tier 1 capital ratio reached 22.2%, more than double the regulatory requirement of 11%. Meanwhile, the capital adequacy ratio (CAR) reached 24.2%, almost double the regulatory requirement of 15%. This strong capital position underscores its status as one of the most well-capitalized financial institutions in the market, ensuring a robust buffer against potential losses.

LOLC's capital ratio is so high that even in such a very conservative scenario (deducting all loss due to PAR90), its Tier 1 ratio and CAR will still be 21.8%, based on the capital and

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PAR90 loans as of December 2025. This suggests that despite the recent increase in PAR90 ratio, LOLC's solid capital base provides robust loss-absorbing capacity.

b- Liquidity Risk

Liquidity risk is the risk of the company being unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence of this may be the failure to meet obligations to repay lenders and depositors and fulfill commitments to lend. Reduced liquidity could also lead to an increase in borrowing costs and constrain the volume of new lending, which in each case could affect the Company's profitability.

Opinion of Management and Risk Mitigation

The management of LOLC monitors balance sheet liquidity and manages the concentration and maturity profile of its debt obligation. Monitoring and reporting involve reviewing the daily cash position and projections for the next day, week, and month, as these are key periods for liquidity management. The management also regularly monitors movement of the main depositors and lenders, and projections of their withdrawals. As of the end of 2025, the liquidity coverage ratio stood at 177.3%, well above the prudential ratio (100%) threshold set by NBC. In addition, LOLC maintains contingency funding arrangements, including overdraft facilities and revolving credit lines with partner banks, to further strengthen its liquidity position in case of unexpected funding needs.

c- Interest Rate Risk

Interest rate risk is the risk that either the future cash flow of a financial instrument or the fair value of a financial instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from the mismatch between interest rate profiles of the company's assets and liabilities, such as fixed versus floating rate structures.

Opinion of Management and Risk Mitigation

Management closely monitors the mismatch between the interest rate re-pricing of assets and liabilities on a monthly basis. LOLC currently does not use derivative financial instruments for hedging. If the need for floating-rate liabilities arises in the future, LOLC's policy is to keep at least 70% of its borrowings at fixed interest rates to limit exposure to interest rate fluctuations. As of 31 December 2025, there are no variable interest rate borrowings.

d- Foreign Currency Risk

The functional currency of LOLC is the Khmer Riel (KHR). Foreign currency risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not in KHR. The company is primarily exposed to such risk through commercial transactions and recognized assets and liabilities in US dollars (USD) and Thai baht (THB), which may fluctuate against the local currency and impact financial performance.

Opinion of Management and Risk Mitigation

The management monitors its foreign currency risk against KHR by adhering to the absorbed risk limit of 20% of net worth. LOLC does not hedge its foreign currency exposure using forward contracts yet.

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e- Operational Risk

Operational risk refers to the risk of loss resulting from inadequate or failed internal processes, systems, or human factors, as well as unforeseen external events. This encompasses challenges in retaining key personnel, employee misconduct, legal risk, and reputational damage, among others. Operational risk events may result in direct or indirect losses that could adversely affect LOLC's financial position and operational stability.

Opinion of Management and Risk Mitigation

LOLC has established a clear organizational structure with defined roles and robust internal control policies. Key control measures include approval and authorization limits, segregation of duties, and system-based parameter controls. Internal procedures and documentation are regularly reviewed and continually refined to address operational risks inherent in its micro-finance business.

f- Competition Risk

As of the end of 2024, Cambodia's banking sector consisted of 59 commercial banks, 9 specialized banks, 4 MDIs, 85 MFIs, 13 financial lease companies, 113 registered rural credit operators, 4 third-party processors, 30 payment service institutions, 1 credit bureau company, 5 foreign representative offices, and 3,334 money changers. In such a competitive environment, there is a risk that LOLC may not be able to maintain its competitive position, which could adversely affect its market share, profit margins, and overall financial performance.

Opinion of Management and Risk Mitigation

Despite growing competition, LOLC has consistently demonstrated a strong market understanding and effective strategic execution, enabling it to maintain a leading position in key financial performance metrics, such as return on average assets (ROAA), return on average equity (ROAE), net interest margin (NIM), cost-to-income ratio (CIR), and net profit. Notably, the issuer's customer deposits surged from just USD275,000 in 2015 to USD1,017 million in 2025, highlighting both the trust from its customers and the strength and competitiveness of its financial products and services.

g- Political, Economic, Social and Legal Risks

These risks arise from changes in the country's political landscape and legal and regulatory framework, economic conditions, and social environment. Political risk includes instability, government policy shifts, or civil unrest. Legal risk involves uncertainty or changes in laws and regulations that could affect operations or contractual obligations. Economic risk stems from factors such as inflation, interest rate volatility, or economic downturns. Social risk relates to shifts in societal norms, demographics, or public sentiment that may impact consumer behavior and business practices. These factors can directly or indirectly affect the company's ability to operate effectively.

All of LOLC's assets and operations are based in Cambodia. Therefore, any abnormal adverse changes in the political, legal, economic, or social conditions in Cambodia could impact its business, financial performance, and operational results.

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Opinion of Management and Risk Mitigation

LOLC actively monitors market, industry, and company-specific developments that may be influenced by Cambodia's political, legal, economic, and social landscape. This proactive approach enables timely strategic and operational adjustments to mitigate potential disruptions. Management also engages in scenario analysis and risk assessments to anticipate emerging challenges and ensure business continuity under varying conditions.

h- Regulatory Risk

Regulatory risk refers to the potential financial loss, operational disruption, or reputational harm that the company may encounter due to changes in laws, regulations, or government policies. LOLC is under comprehensive oversight by Cambodian regulators, especially in areas like capital adequacy, liquidity, and provisioning. Any changes in regulations could impact its financial performance or position, both in the short and long term.

Opinion of Management and Risk Mitigation

Over the past five years, the NBC has implemented regulatory changes, mainly focusing on stricter and more structured requirements for calculating and reporting prudential ratios like the solvency ratio. However, there have been no significant changes to the minimum registered capital requirements or the thresholds for key prudential ratios. LOLC remains fully compliant with all current regulations and adopts a proactive approach, with management continuously evaluating potential impacts and preparing in advance to ensure readiness for any future regulatory developments.

2- Risks Relating to Investment in the Bonds

The existence of an orderly and liquid market for the Bonds depends on a number of factors, including the presence of willing buyers and sellers of the Issuer's Bonds at any given time. Such presence is dependent upon the individual decisions of investors over which the Issuer has no control. Accordingly, there can be no assurance that secondary market for the Bonds will develop, or, if it develops, that it will continue. Furthermore, there can be no assurance that an investor will be able to sell the Bonds at or above the Bonds' Issue Price or at all.

No prediction can be made about the effect which any future public offers of the Issuer's securities, or any takeover or merger activity involving the Issuer, will have on the market price of the Bonds prevailing from time to time.

a- The liquidity of LOLC's bonds may be low

If liquidity is low, there is a risk that, should the investor wish to sell the Bonds before the maturity date, the investor may not be able to do so at a favorable price, or possibly at all.

The existence of an orderly and liquid market for the Bonds is contingent on several factors, including the availability of willing buyers and sellers at any given time. This availability depends on the individual decisions of investors, which are beyond the Issuer's control. Consequently, there is no assurance that an active secondary market for the Bonds will develop, or, if it does, that it will be sustained.

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b- Investments in LOLC's bonds are subject to the Company's credit risk

Investments in LOLC's Bonds are subject to the Company's credit risk. The existence of a trading market for the Bonds, as well as their market value, is influenced by market perceptions of the Company's creditworthiness. Should the market's view of LOLC's creditworthiness decline for any reason, it could negatively impact both the market value of the bonds and the overall availability of trading markets. The market value of the Bonds may fluctuate and could fall below the principal amount.

The market for and value of the Bonds may be influenced by several factors, including:

- Fluctuations in Cambodian and global economic conditions, interest rates, credit spreads, inflation rates, and foreign exchange rates
- The financial performance and position of LOLC
- Shifts in investor perceptions and sentiment regarding LOLC or the microfinance sector and
- Other significant Cambodian and international events.

It is possible that LOLC's Bonds may trade at a market price below the Face Value. LOLC does not guarantee the market price of its Bonds.

c- Holders of LOLC's bonds are unsecured, senior creditors

The Bonds are issued with the guaranteed tranche guaranteed by the Credit Guarantee Corporation of Cambodia ("CGCC") and as unguaranteed tranche as Senior Unsecured Sustainability Bonds. The portion guaranteed by CGCC provides investors with an additional layer of protection, subject to the terms and conditions of the guarantee. However, the guarantee does not extend to the entire issuance, and investors remain exposed to LOLC's credit risk for the senior unsecured portion.

Senior means that, in the event of dissolution or winding up of the Issuer, Bondholders' rights and claims in respect of the payment of principal and interest on the Bonds will rank ahead of all subordinated indebtedness.

The senior unsecured Bonds constitute the general, unconditional, senior and unsecured obligations, ranking pari passu, without priority or preference, with other present and future senior unsecured debt. In the event of default, Bondholders' claims in respect of this portion will rank behind those of secured creditors and creditors preferred by law. If LOLC's assets are insufficient to satisfy such higher-ranking claims, Bondholders may recover less than the full amount due or potentially lose all their investment in LOLC's bonds.

d- The Bonds may not be a suitable investment for prospective investors

The Bonds may not be suitable for all investors. Prospective investors must determine the suitability of the Bonds considering their own circumstances. Prospective investors should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in this document;

(ii) have access to and knowledge of appropriate analytical tools to evaluate, in the context of their financial situation, an investment in the Bonds and the impact such investment will have on their overall investment portfolio;

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(iii) have sufficient financial resources and liquidity to bear all the risks of an investment in the Bonds;

(iv) understand thoroughly the terms of the Bonds; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economics, interest rates, and other factors that may affect their investment and their ability to bear the applicable risks.

Additionally, their investment activities may be subject to investment laws and regulations by certain authorities. Prospective investors should consult their legal advisors to determine whether and to what extent (1) the Bonds are legal investments for them, (2) the Bonds can be used as collateral for various types of borrowing and (3) other restrictions apply to their purchase of any Bonds. Prospective investors should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Bonds under any applicable risk-based capital or similar rules.

e- LOLC may incur significantly more debt in the future

LOLC is not restricted from incurring additional indebtedness in the future provided that the indebtedness is in compliance with the covenant of existing indebtedness. Such debt may:

- have the same or different interest or distribution rates as LOLC's bonds;
- have the same or different maturities as LOLC's bonds;
- have the same or different terms and conditions as LOLC's bonds; and
- rank, in respect of payment of principal or interest (including on an insolvency of LOLC) after, equally with, or ahead of LOLC's bonds.

The incurrence of additional debt could increase the risk of insufficient assets being available to meet LOLC's obligations under the Bonds.

f- Risks related to Second Party Opinion

The Second Party Opinion (SPO) does not provide any assurance regarding the financial performance, suitability, or reliability of the Bonds, nor the alignment of any financed projects with environmental, social, or other sustainability criteria. The SPO does not constitute a recommendation to buy, sell, or hold the Bonds or to invest in any Eligible Green or Social Projects. Furthermore, the SPO is only valid to the date of issuance and may not reflect subsequent developments. Investors should make their own independent assessment of the SPO and its provider when making investment decisions.

3- Risks Relating to the Guarantee

a- Risk of changes in CGCC's credit rating

Credit Guarantee Corporation of Cambodia (CGCC), a state-owned enterprise under the Ministry of Economy and Finance (MoEF), which guarantees one tranche of the Bonds, currently is rated khAAA rating by the Rating Agency of Cambodia (RAC), supported by its paid-in capital of USD 200 million. Any suspension, downgrade, or withdrawal of CGCC's credit rating may materially and adversely affect the market value and liquidity of the CGCC Guaranteed Bonds.

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b- CGCC has the right to accelerate repayment of the Bonds following an event of default

Under the guarantee, upon the occurrence of an event of default, CGCC may, at its discretion, accelerate the repayment of the CGCC-Guaranteed Bonds. In such case, the outstanding principal (and any accrued interest, if applicable) would become immediately due and payable prior to the scheduled maturity date. As a result, holders of the CGCC-Guaranteed Bonds may be exposed to reinvestment risk due to the possibility of early repayment.

c- CGCC is required to pay under the Guarantee only when certain conditions are met

Payments under the guarantee are contingent on the occurrence of a non-payment event, as defined in the guarantee, and are subject to a valid demand made by the Bondholders' Representative. Until these conditions are met, CGCC shall have no obligation to make any payment under the guarantee to the Bondholders.

d- Risk of changes in governing law

Cambodian law is the governing law for the Bonds and the guarantee. Any changes in domestic legislation, judicial interpretation, or regulatory practices after the issue date may affect Bondholders' rights or the enforceability of the Bonds and the guarantee.

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SECTION 4: COMPANY INFORMATION

1- Company Overview

a- Background

As a Cambodia's leading microfinance institution, LOLC (Cambodia) Plc. is renowned for delivering financial solutions that meet the needs of Cambodian families, entrepreneurs and customers who look for economic opportunity to transform the quality of their lives. In 1994, LOLC (Cambodia) Plc. was founded as a credit program managed by a non-profit organization (Catholic Relief Service) and incorporated as Thaneakea Phum (Cambodia) Ltd. (TPC) in 2002. In 2003, the National Bank of Cambodia licensed TPC as a microfinance institution. In 2015, Thaneakea Phum (Cambodia) Ltd. changed its name to LOLC (Cambodia) Plc. (LOLC) and obtained a microfinance deposit taking license from the National Bank of Cambodia at the same time. Currently, LOLC (Cambodia) Plc. is co-owned by LOLC Asia Private Limited (based in Singapore) and TPC-ESOP Co, Ltd.

LOLC Cambodia has a track record of more than 32 years, providing socially responsible microfinance services within Cambodia. Over nearly two decades, it grew from a financial institution with merely 227 staff and US$7.8mn in total assets at the end of 2006 into a financial institution with more than 4,035 staff and US$1.58bn in total assets at the end of 2025. During the same period, LOLC Cambodia increased its GLP by 180-fold, from US$7.3mn to almost US$1.37bn, contributing to the improvement in the livelihood of rural Cambodian people by providing loans to meet their financial needs.

b- History

LOLC has a track record of 32 years, providing socially responsible microfinance services in Cambodia: In 1994, LOLC was established by Catholic Relief Services ("CRS") as part of Small Enterprise Development Program to enable rural women to gain access to financial services that they could use to finance their micro-enterprises.

Known as Thaneakea Phum (Cambodia) ("TPC"), Ltd., LOLC became the Kingdom's first regulated microfinance institution in 1999. In January 2010, the majority stake in TPC (87.84%) was acquired by Developing World Markets ("DWM"), a US-based, socially responsible emerging markets fund manager. Following the acquisition of the majority stake (60%) in TPC by LOLC Micro Investment Ltd. ("LOMI") in 2014, a subsidiary of LOLC Group in Sri Lanka, TPC rebranded its name to LOLC (Cambodia) Plc. and obtained a deposit-taking license from the NBC in 2015. This allowed LOLC to broaden its financial products and services to include savings account and fixed deposits.

In 2018, LOLC Asia Private Limited, a business incorporated in Singapore, acquired the majority stake in LOLC (Cambodia) Plc. from DWM and LOMI. As of today, LOLC Asia Private Limited and TPC-ESOP have 96.97% and 3.03% stake in the MDI respectively. LOLC Asia Private Limited is owned majority by LOLC Holdings Plc ("LOLC Group"). LOLC Group is an experienced investor and operator in the field of microfinance and is committed to bringing innovative financial products and services to clients and helping LOLC Cambodia to continuously expand in both rural and urban areas. Below is a brief list of some of the notable events and highlights of the MDI since the establishment:

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2022	• Obtained permission to conduct bancassurance business (Corporate Agent Model)
2019	• Issue Public Corporate Bonds in Cambodia
2018	• Invested US$1mn in a digital banking project
2017	• Adoption of core banking system T24 • Became the first MFI in Cambodia to obtain approval from the NBC to undertake financial leasing business
2016	• Rolled out savings products to all branches nationwide
2015	• Became the first MFI in Cambodia to receive the SMART Campaign's Client Protection Certification • Rebranded / changed name from TPC to LOLC (Cambodia) Plc. • Acquired a deposit-taking license from the NBC
2014	• Established a new Head Office in Phnom Penh • Majority stake in LOLC acquired by LOLC Micro Investments Ltd. (LOMI)
2013	• Established the Environmental and Social Performance Management Committee
2012	• Launched the Home Improvement Loan in partnership with Overseas Private Investment Corporation (OPIC) • Launched a Financial Literacy program with Good Return • Became the first MFI to implement credit check through the Credit Bureau of Cambodia
2011	• Developed and Launched Microbusiness Expansion Loan • Developed Collateral Management System and set up Risk Management Department
2010	• Acquired by Developing World Markets • Exceeded the Gross Loan Portfolio of US$ 22 million • Rolled out Seasonal Loan product for agricultural clients
2007	• Established an Employee Stock Ownership Plan (ESOP)
2002	• Incorporated as Thaneakea Phum (Cambodia), Ltd. (Village Bank Cambodia in Khmer)
2001	• Continued growth through support from USAID and McKnight Foundation
1999	• Regulated by NBC as the first MFI in the Kingdom
1994	• Founded by Catholic Relief Services as part of Small Enterprise Development Program

Business Strategies including Competitive Strengths in the Market and Future Plan

a- Vision

LOLC Cambodia's vision is to be the most trusted provider of inclusive financial services in Cambodia.

b- Mission

LOLC Cambodia's mission is to create a lasting positive impact on the communities it serves through the sustainable delivery of inclusive and client-centric financial services, while at the same time generating stakeholder value.

c- Competitive Advantages

- **Strong & Experienced Shareholders**

LOLC Group indirectly through a subsidiary holds a majority stake in LOLC Asia Private Limited, which in turn owns 96.97% of LOLC (Cambodia). LOLC Group is one of Sri Lanka's largest and most diversified conglomerates, with a global presence across 26 countries. As of the end of 2025, LOLC Group's total assets and revenue are USD 6.87bn and USD 583mn.

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respectively. It is a leader in SME and microfinance, as well as the largest non-banking financial institution in Sri Lanka. LOLC benefits from the Group's strong reputation, technical support, access to capital, SME and microfinance expertise, risk management guidance, and robust governance practices.

- **Strong and Effective Governance and Internal Controls**

LOLC's governance framework is reinforced by four Board Committees, each chaired by an independent member of the Board of Directors, providing strong oversight and recommendations to both the Board and management. These include the Audit Committee, Enterprise Risk Management and Compliance Committee, Appointment and Remuneration Committee, and IT Steering Committee.

- **Strong Management Team**

LOLC Cambodia's dynamic senior management team has successfully guided the MDI through a period of exceptional growth and remains committed to sustaining its success. On average, senior team members bring over 20 years of experience in Cambodian MFIs and banks. A capable second layer of head office managers and branch leaders further supports them. In addition, the Board of Directors, with extensive expertise in finance, management, and development, provides active and effective oversight.

- **Strong Market Position**

By 2024, LOLC is the second-largest (by gross loan portfolio and deposit balance) Microfinance Deposit-Taking Institution (MDI) in Cambodia, demonstrating its leadership in the sector. Among the 63 commercial banks and MDIs in the country, LOLC ranked 13th in total assets, 8th in total loans and equity, and 19th in total deposits. With 83 branches across 25 provinces, LOLC reaches over 13,000 villages and covers 98% of local communes, giving it an extensive presence and significant influence throughout the country, particularly in rural areas.

- **Highly Profitable and Efficient MDI**

LOLC stands out as a highly profitable and operationally efficient MDI, consistently outperforming its peers. It leads the industry with the highest ROE (average of 17.80% in the last five years), reflecting strong profitability, while maintaining the lowest Cost-To-Income Ratio (CIR) (average of 38.4% in the last five years), indicating exceptional cost-efficiency and prudent management. The high efficiency and profitability compared to its peers' stem from LOLC's strategy of operating a smaller branch network while maintaining nationwide coverage.

- **Stable and Diversified Funding Source**

As of the end of 2024, deposits accounted for 75% of LOLC's total debt funding mix, which is higher than the MDI average and roughly on par with the commercial bank average. This indicates LOLC's strong reliance on a more stable and lower-cost funding source (94% of these deposits are fixed deposits). This is also a testimony of depositors' confidence in LOLC as a solvent MDI. Moreover, while limited access to funding has been a key constraint for many local financial institutions, LOLC has successfully diversified its borrowing base, securing support from more than 20 local and international lending partners.

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KINGDOM OF CAMBODIA

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d- Weaknesses

- **Exposure to rural economy risks**

A substantial portion of LOLC Cambodia's borrowers depend on agriculture and are low-income customers, leaving loan performance highly sensitive to external shocks such as climate variability and commodity price fluctuations. These risks heighten default probability during adverse conditions. For instance, the recent war of invasion by Thailand on Cambodian sovereignty and the closure of borders have forced the return of more than 750,000 Cambodian migrant workers, who had previously contributed around USD 1.5 billion annually in remittances. Most of these workers are from rural provinces, which overlap with LOLC's market segment. The sudden loss of income has disrupted household cash flows in these areas and raised concerns about rising NPL ratios across the banking and MFI sectors.

- **Regulatory limits on product and service scope**

As an MDI, LOLC Cambodia faces restrictions compared to fully licensed commercial banks in terms of the range of services it can provide. For example, MDIs are generally not permitted to offer current accounts, foreign exchange settlement, or trade finance services. This limitation reduces opportunities to diversify revenue streams, deepen customer relationships, and compete directly with banks on a full-service basis.

- **Higher cost of funding compared to commercial banks**

Although LOLC can mobilize deposits as an MDI, its funding base is relatively more expensive compared to commercial banks. Deposit rates must be set higher to attract and retain customers, reflecting depositor perceptions of elevated risk relative to banks. Combined with reliance on wholesale borrowings, this results in a higher overall cost of funds and narrower net interest margins, especially in a highly competitive market.

e- Business Strategy and Future Plan (2026-2030)

LOLC's strategic focus over the next five years is to drive sustainable growth while maintaining its mission of inclusive, client-centric financial services. The institution will prioritize serving its core client segments with tailored products, optimize delivery channels through a combination of branch networks and digital platforms, and leverage technology to enhance operational efficiency, customer experience, and loan portfolio management.

At the same time, LOLC will maintain a strong rural focus, expand into urban and middle-income segments, and uphold responsible finance, ESG compliance, and measurable social impact, ensuring that growth is both profitable and socially responsible.

To achieve this strategic vision, LOLC will implement targeted initiatives across the following key areas.

- **Product Offerings**

Loan Products: LOLC currently provides a diversified product mix to meet client needs, including Group Loans, Micro Loans, SME Loans, Agricultural Loans, Housing Loans, Life Improvement Loans, Asset-backed Financing (vehicle financial lease), and Digital Loans. These loan products have been tailored to the needs of five key customer segments: low-income households, micro-entrepreneurs, SMEs, agribusinesses, and middle-class salary earners.

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Loan Product	Target Customer Segments	Collateral Requirements
Group Loans	Low-income households	Group guarantee
Micro Loans	Low-income households, individual micro-entrepreneurs	Fixed assets, real estate (soft & hard title)
SME Loans	SMEs	
Agricultural Loans	Agribusinesses	
Housing Loans	Micro-entrepreneurs, SMEs, middle-class salary earners	
Life Improvement Loans	Micro-entrepreneurs, middle-class salary earners	
Asset-Backed Financing	All five customer segments with focus on micro-entrepreneurs, middle-class salary earners	Assets that back the financial lease
Digital Loans	Middle-class salary earners (particularly targeting existing payroll customers)	N/A

In addition to the above loan products, LOLC is also developing **Corporate Loans, Prosperity Gold Loan,** and **Business Value Chain Loans**.

LOLC plans to expand its loan portfolio to USD 2.36 billion by 2030, reflecting an expected average annual growth rate of between 9%-12%. To achieve this plan, LOLC will maintain its strong focus on low-income households and micro-entrepreneurs, with growth expected for both volume and number. A key strategic shift involves expanding Group Loans, which represented less than 10% of GLP volume as of 2025, to 36.8% of total loan accounts and 7% of GLP volume by 2030, respectively. In addition, LOLC also expected a robust growth from the SME segment, particularly SME Loans and larger asset-backed financing solutions such as vehicle leasing, financing of pre-existing assets, and informal sale and purchase of motorbikes between individual. The strategic focus reflects LOLC's commitment to promote financial inclusion and sustainable loan portfolio growth.

LOLC aims to achieve strategic loan growth without compromising loan portfolio quality while strictly abiding by responsible lending and client protection principles. LOLC will continue to implement the strategic approaches it has taken so far. These include offering tailored repayment plans, providing counselling and support for clients facing financial challenges, proactively monitoring loan performance, improving staff training, and adopting digital tools to effectively track and address overdue loans.

Deposit Products Current offerings include saving accounts, fixed deposit accounts, digital saving accounts, and kid accounts, all available in both KHR and USD. LOLC plans to enhance kid accounts and introduce current accounts, escrow accounts, and plan & youth accounts to cater to the needs of its customers once it successfully upgrades to a full-fledged commercial bank.

Since transitioning to an MDI in 2015, customer deposits have emerged as LOLC's primary funding source. This shift has significantly reduced reliance on external borrowings, with the loan-to-deposit ratio (LDR) improving from 178% in 2021 to 134.9% in 2025. With a commitment to sustainable financing, LOLC plans to target USD 2.07 billion in deposits by 2030 and further reduce the LDR to 114%. Central to this strategy is the modernization of mobile banking services to attract low-cost savings deposits. LOLC aims to rebalance its deposit portfolio, increasing the share of savings deposits from 8.6% in 2025 to over 27.3% by 2030, while simultaneously reducing the proportion of fixed deposits from 91.4% to 72.7%.

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Other Products and Services: Besides loans and deposit products, LOLC is also offering other banking services, including money transfer (intra-bank transfers, inter-bank transfers via Bakong), card transactions, mobile banking, and payroll services. While non-interest fee income from other products and services represents a modest part of the overall revenue, LOLC views these services as strategically important in enhancing customer experience and attracting depositors.

LOLC plans to apply to the NBC to convert itself into a commercial bank within 2026. Following this transformation, LOLC plans to roll out additional products and services such as current accounts, overdraft facilities, credit lines, trade finance, and foreign exchange, with other commercial banking products and services to be rolled out gradually in the future.

Additional products and services to be rolled out after commercial bank transformation:	
• **Current accounts**	• **Foreign exchange**
• **Overdraft facilities**	• **Trade finance**
• **Credit lines**	• **Other products and services**

- **Branch Network and Outreach**

As of December 2025, LOLC operates 83 branches across 25 provinces, covering 98% of communes and 13,000 villages. By 2030, the number of branches is expected to grow slightly to 86 as LOLC places greater emphasis on digital channels and Payment Service Provider (PSP) partnerships to extend reach efficiently.

Key development initiatives include:

- **Mobile Banking:** Upgraded Mobile Banking platform, this enhanced platform will enable automated client onboarding with integrated e-KYC (electronic Know Your Customer) for faster client onboarding, integration of bank cards, payroll services, self-service account management, and other digital transactions, improving convenience for both retail and SME clients.
- **Card Services:** LOLC has integrate with the CSS network, achieve EMV Chip Cards, and gradually roll out VISA and MasterCard services to provide clients with access to secure and internationally recognized payment methods.
- **Agent Partnerships:** LOLC has partnership with four major PSPs with a network of over 30,000 affiliated agents nationwide enable clients, especially those in rural areas, to make loan repayments and deposits conveniently and without additional costs, reducing travel time and promoting financial inclusion in underserved areas.
- **Dealer Partnerships:** Strategic partnerships with vehicle dealers support the distribution and financing of motorcycles, tuk-tuks, and cars, complementing LOLC's asset-backed loan products and expanding outreach to business clients.

By leveraging this omni-channel approach, LOLC ensures broad accessibility while maintaining cost efficiency.

- **Funding Strategy**

Portfolio growth will be financed through a mix of deposits, senior debt, subordinated debt and equity. Deposits will continue to be the primary funding source and are expected to grow.

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in relative importance, rising from 65% of total funding in 2025 to 70% by 2030. Within the customer deposits, LOLC aims to increase the share of current account and savings account (CASA) deposits, which provide low-cost and stable sources of funding.

Other key funding sources include equity, senior loans, and subordinated debt. The reliance on senior loans is projected to decline, with outstanding borrowings expected to decrease from USD 36 million in 2026 to USD 1.9 million by the end of 2030. Meanwhile, equity is expected to expand steadily, supported by retained earnings and annual profits, and is forecast to more than double in size over the next five years.

- **Operational Capacity**

LOLC's core organizational structure comprises an experienced senior management team, averaging more than 20 years of experience in Cambodia's banking and microfinance sector. The company will continue to maintain its core organizational structure almost unchanged over the next five years to ensure strong leadership and operational efficiency.

LOLC will continue to implement HR strategies that prioritize increased productivity. Total staff is expected to expand modestly by 2% annually to 4,500+ by 2030. LOLC plans to hire only 230 additional financial sale advisors (credit officers) over the next five years. However, each credit officer is expected to handle 188 loans (or $899K) by 2030, up from 153 loans (or $574K) in 2025. To ensure that the planned hirings are sufficient to support the growing business operation and the resulting productivity increase, HR strategies will be supplemented by IT development plan that will expand digital delivery channels, enhance digital loan origination and collection processes, and enable Robotic Process Automation.

- **Commitment to Responsible Finance and Social Impact**

LOLC remains committed to responsible lending and high social performance standards, maintaining its Gold Level Client Protection Certification. Social strategies focus on financial inclusion, client protection, and community impact through products like Green Lending, WASH loans, and asset-backed financing, alongside financial literacy programs for clients and staff.

LOLC will continuously update internal processes, scale inclusive finance offerings, and measure social impact to ensure alignment with UN Sustainable Development Goals and Global Compact principles and that growth is sustainable and socially responsible.

Summary of Social Performance Management Framework Environmental				
KPIs	**Description**	**Target 2025**	**2025 Achievement**	**Target 2026**
CO_2 emission saved	CO2 emission (tCO2) saved through Green Lending (Calculated using methodologies and emission factors provided by GCPF, based on LOLC Cambodia's submitted portfolio data)	>= 6,000	10,108	>= 7,000
	Solar Installment Project	N/A	N/A	>= 5
Net-zero transitions	CO2 emissions (Scope 1, 2 and 3)	N/A	N/A	>= CO2 Emissions Measurement

Access to green products	Green Lending Disbursement Amount (USD)	>= 6,000,000	5,643,024*	>= 4,000,000
Paper saved via activities	A4 paper saved in ream via tablet, LOLC Mobile project, client payment through PSPs and digital payments	>= 5,000	10,931	>=5,000
Water stress	WASH Loan Disbursement Amount	>= 9,000,000	8,822,348*	>= 5,000,000
Social				
KPIs	**Description**	**Target 2025**	**2025 Achievement**	**Target 2026**
Job creation	Number of total LOLC staff and job creation/workers by LOLC's clients (as of end period)	>=600,000	643,259	>=600,000
Female clients	Percentage of female borrowers	>=65%	71%	>=65%
Female staff	Percentage of female staff	N/A	N/A	>=18%
Poverty outreach	Percentage of borrowers in rural areas	>=70%	79%	>=72%
	Percentage of borrowers below 200% National Poverty Line (NPL)**	>=20%	20%	>=40%
Clients involved in agriculture	Number of borrowers involved in agriculture	>=40%	46%	>=40%
Access to education	Provide financial education awareness to clients, communities, and youths	>=350	362	>=750
	Enhance financial education awareness to staff	>=6	47***	>=3
	Number of internal and external training courses for staffs	>=1,400	1,558	>=1,300
	Provide training/refresher on lending process/SM/CPP to staff	>=14	125	>=6
Impact on communities	Number of community events and other social activities (CSR)	>=28	37	>=24
Access to finance	Percentage of new clients are able to access financial services whether savings or credit	>=5%	8.88%	>=5%
Better living conditions	Analyze the client's income generation.	>= At least sample size of 5,000 clients	Average income growth rate 6.88%	>= At least sample size of 5,000 clients
	HIL and HL Disbursement Amount (USD)	>=20,000,000	39,306,491	>=20,000,000

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Governance				
KPIs	**Description**	**Target 2025**	**2025 Achievement**	**Target 2026**
Independent directors	Number of independent directors	>=2	2	>=2

Note:
** It is our internal commitment but complied with lender covenants.*
*** This KPI was adjusted in line with the updates to the PPI tool updated in 2023*
**** 47 branches have completed the financial education awareness training through e-learning. The Training Unit will coordinate and follow up as the remaining branches to complete the training.*

- **Risk Management and Internal Control Focus**

LOLC implemented a robust risk management framework that balances growth with prudent safeguards to ensure long-term sustainability. The Board of Directors holds ultimate responsibility by approving strategies, policies, and organizational controls, while senior management operates within these guidelines to effectively manage risks across all business areas.

Risk management is operationalized through board-approved policies and tolerance limits, with the Risk Department implementing a four-step process: identify, measure, monitor, and control, supported by a robust MIS. This enables timely reporting of exposures, alignment with strategy, and early detection of emerging risks.

Internal controls strengthen this system by checking for compliance, preventing conflicts of interest, and validating transactions, along with regular audits from the Internal Audit Department that reports directly to the Board's Audit Committee. These mechanisms safeguard assets, ensure accurate reporting, and uphold regulatory compliance.

Contingency planning is also in place, supported by a Business Continuity Plan (BCP), Disaster Recovery Plan (DRP), and liquidity stress testing. Advanced scenario modelling will strengthen these by 2030, ensuring rapid recovery from unexpected events and uninterrupted service delivery.

- **Other Information Technology Development**

LOLC's IT strategy underpins its commercial banking transition, emphasizing efficiency, customer experience, and data security. Key initiatives include:

- LOLC plans further enhancement of products and services to provide enhanced customer experience. Accordingly, LOLC will introduce new products and services such as fully automated digital loans and relationship-based product pricing etc, …
- ATM-Switch and Card Issuance: LOLC plans to enhance the features and security of ATM Switch based on NBC and business requirements to cater CSS-ISO8583 spec 1.11, contactless. Additionally, LOLC will invest in required infrastructure and technology to enable integrations of Credit Card Management System, Certifications related to Card Issuers (MasterCard, VISA, UPI, JCB Etc.) with ATM Switch, LOLC Mobile & CBS, Fraud Detection System, and 24x7 Call Center Facility.
- The mobile app will be expanded to serve as a multi-service platform for digital deposits, loan applications, and international card services. LOLC Mobile has been integrated with cross-border QR payments of Thai QR, Vietnam QR and Laos QR. LOLC plans to add Japan, Indian and Korean QR-based payments.
- LOLC will roll out additional loan products on its Tablet-based Apps for Financial Service

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Advisors, which allow speedy credit analysis and loan origination and collection processes. LOLC also looks to introduce deposit capturing via tables in the future.

- IT security will be further strengthened. Privileged Access Management (PAM) will be deployed to secure and monitor privileged access pertaining to critical systems. Secure Access Service Edge (SASE) will be implemented to unify network security and connectivity providing secure and seamless access to cloud resources.
- LOLC is looking forward to moving all its applications into Cloud Computing within 3 years starting from 2025 to expand existing computing resources, reduce reliance on expensive hardware, reduce administrative efforts and ensure enhanced cyber security.
- Scaling data Life Cycle Management & Warehousing with Analytical Capabilities to support Basel III, IFRS, AML compliance, and AI-driven tools such as LOLC GPT for customer engagement.

Over the next five years, traditional branch-based banking will be increasingly complemented by digital delivery channels, particularly through enhancements to the Mobile Banking platform. This platform will support automated client onboarding, e-KYC integration, and bank card functionality, streamline customer access and improve service efficiency.

f- Company's Main Products and Service

LOLC has been improving and diversifying its product offerings in order to meet its clients' evolving needs and demands. Its products and services include credit products consisting of a variety of loan facilities, deposit products, including savings account and fixed deposits, and financial leasing products.

The table below shows the data of LOLC's gross loan portfolio (GLP) and deposits from customers. While GLP grew at a CAGR of 9.91% between 2020 and 2025, deposits from customers grew at a CAGR of 13.68% over the same period.

(Unit: USD '000)

	2020	2021	2022	2023	2024	2025
GLP	855,922	1,036,281	1,253,022	1,246,507	1,320,836	1,373,095
Deposits	536,020	581,937	767,174	903,918	1,001,379	1,017,827

f-1- Loans to Customers

LOLC's loan products include Group Loan, SME Loan, Seasonal Loan, Home Improvement Loan, Water, Sanitation and Hygiene Loan, Individual Loan, Life Improvement Loan, and Financial Lease. Below are the details on each loan product:

- **Group Loan (GL)** is provided to a joint-liability group of 2-7 members, and it is designed to help clients run and grow their micro and small businesses. It is highly representative of the whole microfinance market product offering and is popular among rural communities due to the small loan size and non-requirement for collateral. Group Loan accounts for 7.87% of LOLC's GLP as of 2025. LOLC has continued to increase the loan size for this product in order to accommodate the growth of rural communities' economy.
- **Small and Medium Enterprise Loans (SME)** rolled out in February 2012, have a minimum loan size of US$ 10,001 upward and provide small and medium sized business owners ample capital to grow their businesses. Besides these, LOLC also offers products for improving the living standards of Cambodian households.

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- **Seasonal Loan (SNL)** targets clients engaging in agricultural activities that need to finance their inputs and repay the loan once the harvest is sold. As of 2025, Seasonal Loan accounts for 8.52% of GLP.
- **Home Improvement Loan (HIL)** is a long-term loan that allows customers to buy houses that are already built or are being built. The loan is also applicable for clients who wish to build their own house on existing land property.
- **Water, Sanitation and Hygiene Loan (WASH Loan)** is provided to customers to improve their reach to water and sanitation, such as building all kinds of toilets, constructing wells or water ponds, connecting to clean water, buying pumping machines, water tanks, and more.
- **Individual Loan (IL)** is intended for entrepreneurs whose growing businesses need additional working capital or fixed assets. As of 2025, the product represents 29.11% of GLP.
- **Life Improvement Loan (LIL)** provides financing for personal consumption and purchases to clients with stable sources of income. It was rolled out in April 2014.
- **Financial Lease (FL)** offers clients who wish to lease a brand new or secondhand motor bike, tricycle (tuk-tuk), car, and agricultural machinery.

Additional information related to these loan products is summarized in the table below:

Credit Product	Loan Size	Max Tenor	Collateral	Purpose of the Loan
Group Loan	Up to $3,000	60 months	Group guarantee	To support the operation and expansion of micro businesses
SME Loan	From $10,001 upward	120 months	Real Estate	To support business operations and expansion of small and medium enterprises
Seasonal Loan	Up to $30,000	72 months	Real Estate	To support agricultural activities and expand agricultural operations
Home Improvement Loan	Up to $100,000	120 months	Real Estate	To improve, renovate, or expand residential homes
WASH Individual Loan	Up to $3,000	60 months	Real Estate	To build or renovate latrines, wells, ponds, water storage systems, and water filters, etc.
Individual Loan	Up to $10,000	96 months	Real Estate	To support business operations and expansion of small business
Life Improvement Loan	Up to $50,000	60 months	Real Estate	To finance the purchase of movable assets for personal or family use
Financial Lease	Up to $80,000	72 months	None	To lease motorbikes, trams, tuk-tuks, cars and agricultural machinery

Below is a breakdown of loans to customers by product in terms of loan amounts as of the end of 2023, 2024, and 2025:

(Unit: USD'000)

No	Products	2023	2024	2025
1	Group Loan	140,612	123,320	108,027
2	Individual Loan	369,217	388,867	399,670
3	SME Loan	474,223	520,783	581,760
4	Seasonal Loan	117,335	125,435	117,011
5	Home Improvement Loan	56,734	71,165	82,[illegible]
6	Life Improvement Loan	87,304	90,317	[illegible]552
7	WASH Individual Loan	1,035	892	698
8	Financial Lease	47	57	68
Total		**1,246,507**	**1,320,836**	**1,373,095**

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As of the end of 2025, Group, Individual, SME, Seasonal, and Home Improvement Loans constitute 93.86% of the GLP. Between 2022 and 2025, while the proportion of Group and Life Improvement loan decreased by 6.06%pt and 2.16%pt, respectively, the proportion of SME, Home Improvement, and Individual loans increased by 7.53%pt, 1.38%pt, and 0.22%pt respectively.

Below is a breakdown of loans to customers by collateral base as of the end of 2023, 2024, and 2025:

Collateralization	2023		2024		2025	
	Amount (USD'000)	Proportion (%)	Amount (USD'000)	Proportion (%)	Amount (USD'000)	Proportion (%)
Secured	1,072,946	86.08%	1,151,113	87.15%	1,209,397	88.08%
Unsecured	173,561	13.92%	169,723	12.85%	163,698	11.92%
Total	**1,246,507**	**100.00%**	**1,320,836**	**100.00%**	**1,373,095**	**100.0%**

As of the end of 2025, 86.08% of loans to customers were secured loans, an increase of 1.07%pt compared to 87.15% in 2024.

Below is a breakdown of loans to customers by economic sector as of the end of 2023, 2024 and 2025:

Economic Sector	2023		2024		2025	
	Amount (USD'000)	Proportion (%)	Amount (USD'000)	Proportion (%)	Amount (USD'000)	Proportion (%)
Agriculture	332,577	26.68%	352,646	26.70%	344,381	25.08%
Manufacturing	82,004	6.58%	91,259	6.91%	104,221	7.59%
Trade and commerce	239,762	19.23%	248,194	18.79%	245,976	17.91%
Services	190,620	15.29%	207,307	15.70%	218,480	15.91%
Transportation	17,759	1.42%	19,184	1.45%	18,971	1.38%
Construction	50,516	4.05%	50,066	3.79%	47,673	3.47%
Household/family	333,268	26.74%	352,180	26.66%	393,391	28.65%
Total	**1,246,507**	**100.00%**	**1,320,836**	**100.00%**	**1,373,095**	**100.00%**

As of the end of 2025, loans to agricultural, manufacturing, trade and commerce, and services sectors constitute 66.50% of LOLC's total loans to customers. We have observed that the composition of loans in the economic sector has remained largely the same between 2023 and 2024.

Below is a breakdown of loans to customers by currency as of the end of 2023, 2024, and 2025:

Currency	2023		2024		2025	
	Amount (USD'000)	Proportion (%)	Amount (USD'000)	Proportion (%)	Amount (USD'000)	Proportion (%)
Khmer Riel	370,045	29.69%	415,255	31.44%	446,909	32.55%
US Dollars	838,930	67.30%	885,391	67.03%	913,988	66.56%
Thai Baht	37,532	3.01%	20,190	1.53%	12,198	0.89%
Total	**1,246,507**	**100.00%**	**1,320,836**	**100.00%**	**1,373,095**	**100.00%**

As of the end of 2025, US Dollars loans constitute two-third (66.56%) of LOLC's total loans to customers, while Khmer Riel loans consist 32.55% of the total loans to customers, up by 1.11%pt from the end of 2024. The proportion of KHR loan portfolio is exceptionally high, and far above the NBC's regulatory requirement of 10%, and is a testimony of LOLC's commitment to support the central bank's initiative to promote the use of the local currency. Meanwhile, there was a reduction in Thai baht–denominated exposure to 0.89% from 1.53% in 2024, which is not surprising given the deteriorated trade flows and business relationship with Thailand.

f-2- Deposits from Customers

Savings Account is an account type that provides customers with the convenience of making or withdrawing money every working hour without limit. This account is the best option for customers who wish to withdraw cash upon their demand.

Fixed Deposit Account is a type of account that provides customers with a specific time-saving purpose to increase their income by earning a high interest rate that can be withdrawn monthly or at the end of the term. The customer is only required to have KHR 200,000 or USD 50.

Kid Account is a type of account that allows parents and guardians to save long-term for their children's future financial needs. Customer is only required to have KHR 20,000 or USD 5.

Digital Savings Account allows users to easily open an account and perform transactions through the LOLC mobile app.

Fixed Deposit Interest Rate as of January 2026

Type	Term	Annual Interest Rate KHR/USD
Monthly Interest Withdrawal	1 Month	4.00%
	3 months	4.25%
	6 months	4.75%
	9 months	4.75%
	12 months	5.50%
	24-36 months	5.75%
Interest Withdrawal at Maturity	1 Month	4.00%
	3 months	4.50%
	6 months	4.75%
	9 months	5.00%
	12 months	5.75%
	24-36 months	6.00%

Kid Account Interest Rate as of January 2026

Term	Annual Interest Rate KHR/USD
Year 1	5.25%
Year 2	5.50%
Year 3	5.75%
Year 4	6.00%
Year 5	6.25%
Year 6	6.50%
Year 7	6.75%
Year 8	7.00%
Year 9	7.25%
Year 10	7.50%
Year 11 – Year 18	7.50%

Below is a breakdown of deposits from customers by products as of the end of 2023, 2024 and 2025:

Products	2023		2024		2025	
	Amount (USD'000)	Proportion (%)	Amount (USD'000)	Proportion (%)	Amount (USD'000)	Proportion (%)
Savings Account	49,411	5.47%	60,434	6.00%	86,586	8.51%
Fixed Deposit Account	854,058	94.48%	939,898	93.90%	929,025	91.27%
Kid Account	426	0.05%	979	0.10%	1,618	0.16%
Digital Savings Account	23	0.00%	68	0.00%	598	0.06%
Total	**903,918**	**100.00%**	**1,001,379**	**100.00%**	**1,017,827**	**100.00%**

As of the end of 2025, fixed deposits constitute 91.27% of total deposits from customers.

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Below is a breakdown of deposits from customers by currency as of the end of 2023, 2024, and 2025:

Currency	2023		2024		2025	
	Amount (USD'000)	Proportion (%)	Amount (USD'000)	Proportion (%)	Amount (USD'000)	Proportion (%)
Khmer Riel	94,173	10.42%	84,268	8.42%	77,947	7.66%
US Dollars	807,860	89.37%	916,304	91.50%	939,687	92.32%
Thai Baht	1,885	0.21%	807	0.08%	193	0.02%
Total	**903,918**	**100.00%**	**1,001,379**	**100.00%**	**1,017,827**	**100.00%**

As of the end of 2025, customer deposits in Khmer Riel and US Dollars constitute 99.98% of LOLC's total deposits from customers.

g- Distribution Channel

LOLC provides its products and services to customers through its nationwide network of 83 branches and 4,035 staff as of 2025:

	2020	2021	2022	2023	2024	2025
Number of operating branches	79	81	83	83	83	83
Number of staff	3,140	3,297	3,535	3,590	3,704	4,035

For the next five years, LOLC will expand its business via digital banking and tablet functions, allowing the staff to perform their services from remote locations.

h- Patents, Marks, Trade Names, Licenses or Other Agreements on Intellectual Property Rights

LOLC has neither ownership of any trademarks nor any form of goodwill.

Patent 2026

VAT Tin Number	L001-100046401
Business Activity	Financial Services
Tax Paid Amount	5,000,000 Riel
Date	06th January 2026

Latest Article of Incorporation

Registration Number	00012829
Acknowledged As	Public Limited Company
Registered Capital	424,377,400,000 Riels
Incorporation Date	28th Sep 2015
Approved by NBC	12th April 2023
Approved by Ministry of Commerce	10th May 2023

Certificate of Value Added Tax Registration

Business Form	Public Limited Company
VAT Tin Number	L001-100046401

Microfinance Deposit-Taking Institution License

License Number	M.F.04
CEO	Mr. Sok Voeun
Business Activity	Deposit Taking Business
Approved by NBC	07th December 2023
Validity	Indefinite

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i- Number of Total Employees as of December 2025

Category	Length of Service					Nationality	
	≤1 year	1 year < x < 5 years	≥ 5 years	Total	Proportion (%)	Khmer	Foreign
Senior Officer	1	-	6	7	0.17%	4	3
Manager	4	2	14	20	0.50%	19	1
Senior staff	14	19	139	172	4.26%	172	-
Assistant staff	257	285	840	1,382	34.24%	1,382	-
Credit officer	716	1,025	650	2,391	59.24%	2,391	-
Deposit officer	19	28	17	64	1.59%	64	-
Total	**1,011**	**1,359**	**1,666**	**4,036**	**100.00%**	**4,032**	**4**

2. Banking and Microfinance Sectors in Cambodia

As of the end of 2024, Cambodia's banking sector was comprised of 59 commercial banks, 9 specialized banks, 4 MDIs, 85 MFIs, 13 financial lease companies, 113 registered rural credit operators, 4 third party processors, 30 payment service institutions, 1 credit bureau company, 5 foreign representative offices, and 3,334 money changers[1].

Microfinance institutions are classified into three categories: microfinance institutions (MFI), microfinance deposit-taking institutions (MDI), and registered microfinance operators. These institutions are all permitted to conduct micro-lending businesses but differ in that while MFIs and MDIs are larger and are subject to stringent regulations, registered microfinance operators are small-scale micro-lending NGOs or rural credit operators operating particularly in rural areas. Registered microfinance operators were previously unlicensed for informal moneylenders. They have been recently regulated since the NBC launched a campaign in February 2015 to bring them under its supervision; a move aimed at protecting consumers from the increasing prevalence of unregulated moneylenders who often charge exorbitant interest rates.

On the other hand, MDIs are MFIs that are authorized to collect deposits from customers. This was made possible by the "Prakas on Licensing of Microfinance Deposit-Taking Institutions" issued in 2008 by the NBC that aimed to strengthen the domestic micro-credit sector and reduce reliance on foreign lenders.

[1] It is important to note that some of these financial institutions changed their license from one to another. Some MFIs and MDIs upgraded themselves into specialized banks or commercial banks, with some specialized banks also transformed into commercial banks.

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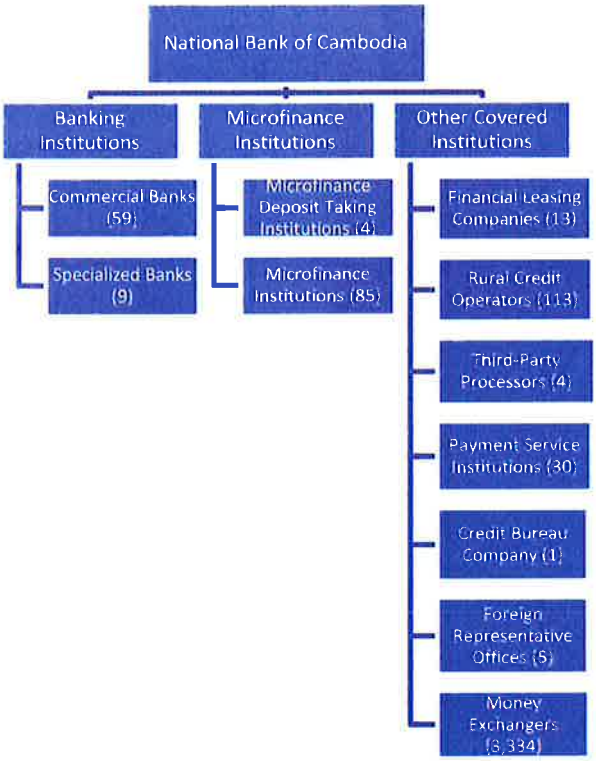
The Structure of Banking System in Cambodia



Source: NBC's Annual Supervision Report 2024

MDIs operation and regulation are similar to commercial banks

MDIs are operating almost like commercial banks, providing not only loan products, but also deposit products—including savings, and term-deposit accounts—card services, fund transfer service, payroll services, and mobile banking apps. They can be as big in terms of asset size as some of the top 10 commercial banks, having extensive branch and ATM/CSS networks, and serve similar customer base to many commercial banks. Many former MDIs have already undergone such transformation. Banks that were former MDIs include Sathapana Bank (5th largest in terms of total assets in 2024), Hattha Bank (17th), Philip Bank (28th), Woori Bank (18th), and KB Prasac Bank (4th). In March 2026, AMK Bank announced its official transformation into a full-fledge commercial bank. New MDI licenses are no longer expected to be issued by the central bank, and the remaining three other MDIs namely LOLC, AMRET, and Mohanokor are encouraged to upgrade to a commercial bank. Therefore, it suffices to analyze the whole banking sector when we want to analyze the sector in which an MDI is operating.

Banking sector is facing cyclical setbacks characterized by rising NPL ratio and slow growth

From 2015 to 2019, the banking sector underwent a remarkable phase of development, with both credit offered and deposits collected by banks and microfinance institutions showing exceptional growth. Customer credit had grown on average 21% annually, while customer deposits reached $25.4 billion at the end of 2019, more than double from $11.4 billion at the end of 2015, as annual growth averaged over 22% during the period. Although suggesting a substantial improvement in terms of financial inclusion, this rapid credit growth could pose

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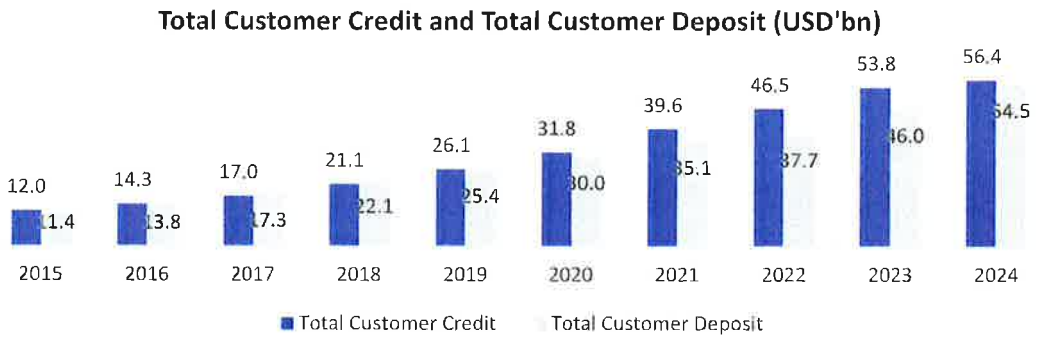
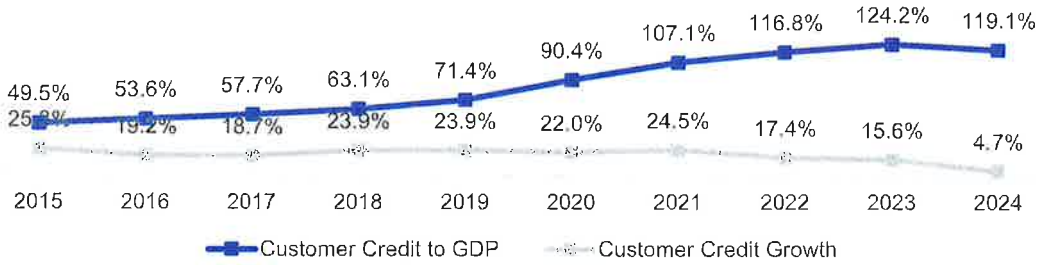
economic risk resulting from potential financial instability driven by over indebtedness.

Credit and Deposits by Banks and Microfinance Institutions



Source: NBC, YSC Research

Credit Growth & Credit-to-GDP Ratio



Source: IMF, NBC, YSC Research

In response to the concern about rapid credit growth, NBC has introduced several measures to strengthen the financial soundness of the banking system. The "*Prakas on Liquidity Coverage Ratio*" adopted in December 2015, requires deposit-taking banks and financial institutions to increase the minimum liquidity coverage ratio (LCR) in a phased manner from the previous 50% to 60% by September 2016, 70% by September 2017, 80% by September 2018, 90% by January 2019, and 100% by January 2020. Meanwhile, the "*Prakas on Minimum Registered Capital of Banking and Financial Institutions*" issued in March 2016, substantially increased the minimum registered capital requirements for banks, MFIs and MDIs. The Prakas requires twice as much capital than the previous level for banks, more than ten times the previously required level for MDIs, and more than twenty times the previously level for MFIs. In February 2018, the central bank also issued the "*Prakas on Capital Buffer in Banking and Financial Institutions*", requiring banks and MDIs to maintain a capital conservation buffer of 2.5% above the minimum Tier 1 capital requirement under normal financial situation, and introducing the possibility for NBC to set a countercyclical buffer requirement between 0% and 2.5% under excessive credit growth scenario.

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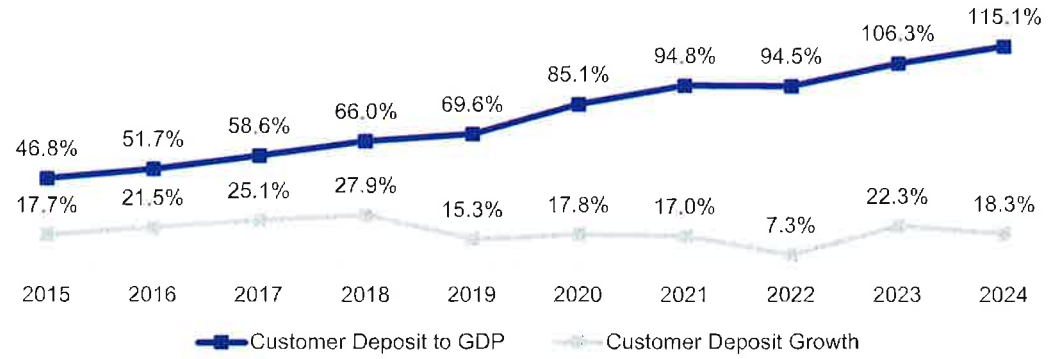
Deposits Growth & Deposits-to-GDP Ratio



Source: IMF, NBC, YSC Research

Credit growth remained strong at more than 20% in 2020 and 2021, despite the business disruption and economic contraction driven by the COVID-19 pandemic. The macroeconomic shocks affected various sectors, in particular the construction, hotel, and hospitality sectors, leading to a significant increase in the number of borrowers defaulting on their loan repayments. However, as part of the pandemic relief, the central bank allowed lenders and financial institutions to carry out loan restructuring for borrowers whose income stream was disrupted by the pandemic-driven shutdown in business activities.

Between 2022 and 2024, the banking sector faced a double blow: (1) the ongoing rise in funding costs driven by the US interest rate hikes, as the US Federal Reserve gradually increased the benchmark interest rate starting in March 2022 to combat rising inflation; and (2) the increase in the industry-wide NPL ratio, which is likely linked to legacy restructured loans from the COVID era, slow recovery in sectors such as hotels, tourism, and construction, and a weak property market with low demand, making it difficult for borrowers to sell fixed assets to repay loans. In fact, the average funding cost in the banking sector increased from 2.72% in 2021 to 3.18% in 2022, then 4.75% in 2023, before dropping slightly to 4.38% in 2024. Meanwhile, the average NPL ratio climbed from 1.9% in 2021 to 2.5% in 2022, 5.3% in 2023, and 7.2% in 2024. Consequently, the combined net profit of commercial banks and MDIs decreased from USD 1,248 million in 2021 to USD 1,188 million in 2022, USD 579 million in 2023, and USD 802 million in 2024.

In 2025, Thailand started a war of invasion on Cambodia. The border closure initiated by the Thai side has disrupted the trade flows between the two countries and caused the return of more than 750,000 migrant workers. This situation has impacted businesses that depend directly and indirectly on exports and imports with Thailand, as well as the loss of remittances. At the peak of the fighting, more than half a million Cambodian people living along the border had to evacuate from their homes. Despite the ceasefire agreement, the Thai military's illegal occupation of Cambodian villages along the border has prevented thousands of Cambodian refugees from returning home. The disruption in work and business activities along the borders has impacted on the livelihood and repayment ability of borrowers. Consequently, the banking sector has experienced an additional negative factor, with an expected further increase in the NPL ratio in 2025.

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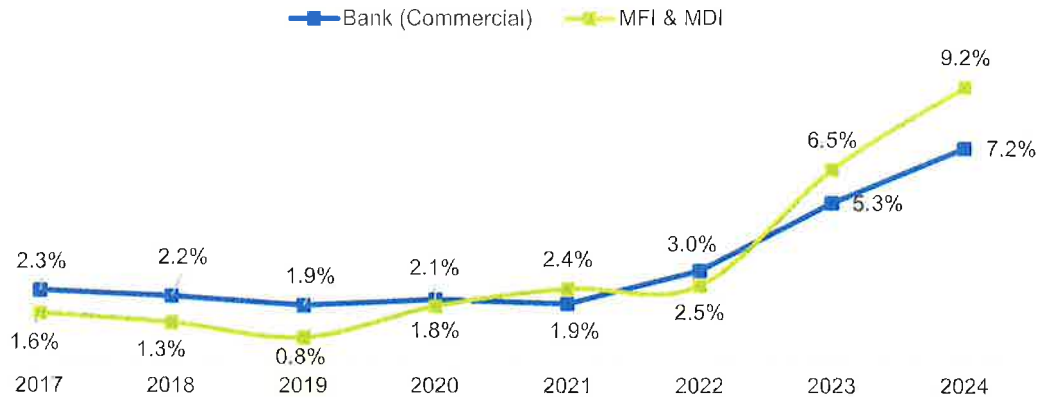
NPL Ratio

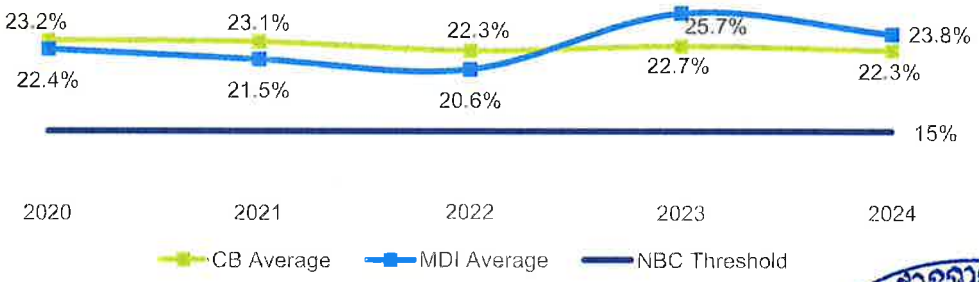


Source: NBC, YSC Research

The banking system remains prudent thanks to high capital adequacy and liquidity coverage ratios

Despite the anticipated increase in the industry-wide NPL ratio, which could pose a risk to financial stability, Cambodia's banking system has remained prudent, with highly adequate capital and liquidity ratios. The average solvency ratio for commercial banks has remained around 22%, while the average for MDIs has fluctuated between 20.6% and 25.7% over the past five years. In 2024, the average solvency ratio for MDIs stood at 23.8%, which is 8.8%pt above the minimum capital requirement of 15% and 6.3%pt above the combined minimum capital ratio and capital conservation buffer of 17.5%. This highlights the strong capacity of Cambodia's commercial banks and MDIs to absorb potential losses from the rising loan delinquency rate. In addition to their solid capital base, commercial banks and MDIs have maintained high liquidity coverage ratios (LCR). The LCR for both sectors averaged around 140% from 2020 to 2024. The average LCR for commercial banks in 2024 was 199%, and the average for MDIs was 175%. Both numbers were well above the 100% regulatory requirement. This demonstrates that commercial banks and MDIs have more than enough capacity to meet their short-term liquidity needs. The high levels of both solvency ratios and LCR indicate a healthy banking system, instilling confidence in depositors, lenders, and investors, while reducing the risk of a potential bank run.

Solvency Ratio



Source: NBC, YSC Research

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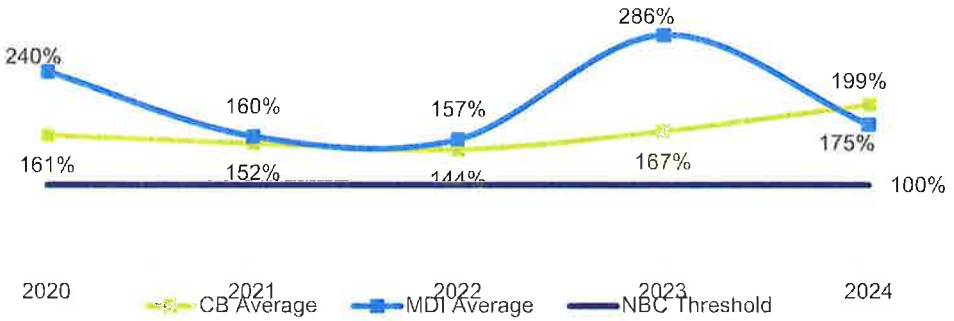
Liquidity Coverage Ratio (LCR)

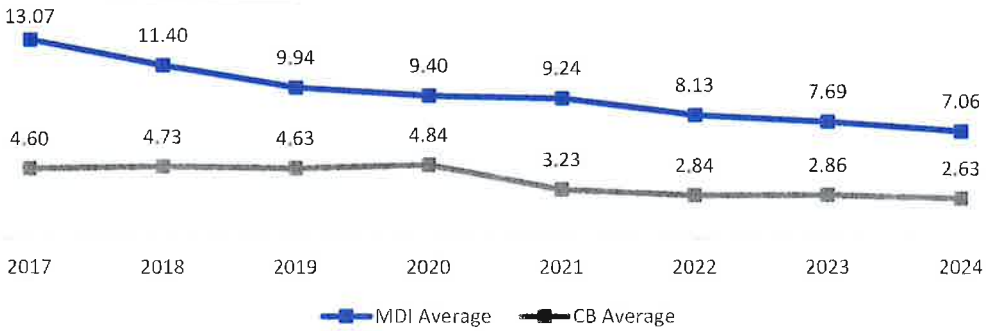


Source: NBC, YSC Research

More cautious lending approach with efficiency-seeking operation

In response to the continued rise in the NPL ratio, banks and MDIs have adopted a more cautious approach to loan disbursement, rigorously screening borrowers and tightening credit approval criteria. As a result, credit growth has significantly slowed, dropping from 15.6% in 2023 to just 4.7% in 2024. Alongside this conservative growth strategy, banks and MDIs have focused on enhancing operational efficiency by implementing cost-cutting measures. These include maintaining a stable workforce and limiting the number of physical branch offices while expanding service coverage to improve convenience and reach more customers by adding self-service facilities. Despite the slowdown in loan growth, the average operating expense ratio for commercial banks decreased to 2.63% in 2024 (compared to 2.86% in 2023), while the average for MDIs fell to 7.06% in 2024 (down from 7.69% in 2023). This suggests that both sectors have effectively managed to keep their operating costs low despite the sluggish growth in loans.

Operating expense ratio (%)



Source: NBC, YSC Research

Increasing NIM to give banks and MDIs more room to absorb credit loss

While loan growth slowed to 15.6% in 2023 and notably 4.7% in 2024, customer deposits grew strongly by 22.3% in 2023 and 18.3% in 2024, reaching 115% of GDP. With the decline in loan growth and the increase in customer deposits, liquidity has accumulated at many banks and MDIs, enabling them to reduce customer deposit rates. The decrease in deposit rates also aligns with the fall in international interest rates, as the US Federal Reserve gradually cut its policy rate by 50bps in September, 25bps in November, and another 25bps in December 2024. However, the surplus liquidity resulting from conservative loan growth has played a

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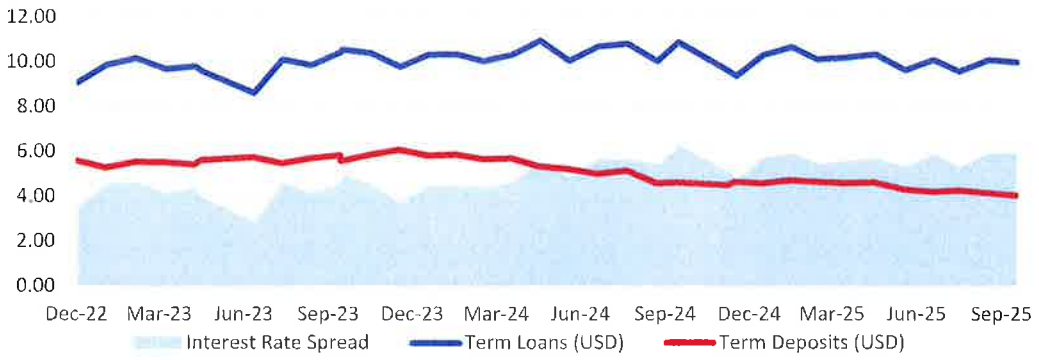
larger role in driving down deposit rates at many local banks and MDIs. According to NBC, the average term deposit rate dropped from 6.1% in December 2023 to 4.6% in January 2025.

The reduction in funding costs has provided some relief for market players during this challenging period. In 2023, out of 61 commercial banks and MDIs, only 18 reported an increase in net interest margin (NIM); however, in 2024, the number of institutions reporting an increase in NIM rose to 33 (out of 62), suggesting that more banks and MDIs benefited from the drop in funding costs. Further declines in funding costs could be expected in 2025 and 2026 as banks and MDIs have lowered their deposit rates, while international interest rates have moderated with the Federal Reserve benchmarked rate being slashed gradually from 4.50% at the end of 2024 to 3.75% at the end of 2025. Banks and MDIs could expect to see an improved NIMs to absorb potential credit losses arising from increasing NPL ratios.

Loan-Deposit interest rate spread (%)



Source: NBC, YSC Research

3. Operational Plan and Financial Position

a- Projected Financial Statements

Balance Sheet

(Unit: USD'000)

	2026	2027	2028	2029	2030
Cash and cash equivalent	71,750	72,484	100,677	129,477	160,925
GLP	1,500,000	1,690,000	1,879,000	2,100,000	2,355,000
Loan loss provision	(87,632)	(99,766)	(107,560)	(108,955)	(103,713)
Net Interbank Placement & Securities	101,611	137,906	153,328	173,441	194,502
Balance With NBC	223,206	253,731	278,930	311,509	347,547
Other Current Assets	14,282	14,615	14,529	14,785	14,786
Net Tangible Assets	2,657	3,005	2,712	1,907	1,133
Net Intangible Assets	4,198	4,295	4,226	3,633	2,992
Other Assets	7,592	7,065	6,708	6,412	6,206
Total assets	**1,837,664**	**2,083,336**	**2,332,550**	**2,632,209**	**2,979,378**
Deposit	1,230,000	1,419,600	1,606,545	1,822,800	2,072,400
Subordinated loans	8,545	3,283	0	0	0
Senior loans	36,356	26,107	5,954	5,953	1,908
Other liabilities	72,514	72,326	74,710	56,972	39,709
Total liabilities	**1,347,415**	**1,521,317**	**1,687,209**	**1,885,726**	**2,113,017**
Share Capital	104,785	104,270	103,507	103,205	103,1[illegible]
Reserve & Other	123,491	122,884	121,985	121,629	121,541
Retained earnings	261,973	334,866	419,849	521,649	640,691
Total equity	**490,248**	**562,020**	**645,341**	**746,483**	**865,361**
Total liabilities and equity	**1,837,664**	**2,083,336**	**2,332,550**	**2,632,209**	**2,978,378**

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Income Statement

(Unit: USD'000)

	2026	2027	2028	2029	2030
Interest income	238,814	263,997	295,401	329,640	368,488
Interest expense	(70,702)	(79,057)	(86,597)	(96,323)	(107,627)
Net interest income	**168,112**	**184,939**	**208,804**	**233,317**	**260,861**
Non-interest income (net)	12,390	13,111	14,337	15,738	17,820
Operating income	**15,611**	**16,945**	**18,066**	**20,034**	**21,769**
Operating expense	(75,672)	(81,436)	(89,787)	(99,338)	(110,717)
Loan loss expense	(32,899)	(23,583)	(20,528)	(15,147)	(9,888)
Pre-tax income	**87,544**	**109,977**	**130,892**	**154,605**	**179,846**
Tax expense	(17,544)	(22,039)	(26,218)	(30,967)	(36,023)
Net profit after tax	**70,000**	**87,937**	**104,674**	**123,638**	**143,823**

Cashflow Statement

(Unit: USD'000)

	2026	2027	2028	2029	2030
OPERATING ACTIVITIES					
Net Income	**70,000**	**87,937**	**104,674**	**123,638**	**143,823**
Plus: Depreciation & Amortization	2,367	4,767	3,570	3,922	4,138
Plus: Provisions	20,793	12,500	7,950	1,598	(5,029)
(Increases) / Decreases in other current assets	(9,003)	(333)	87	(256)	(1)
(Increases) / Decreases in GLP	(126,905)	(190,000)	(189,000)	(221,000)	(255,000)
Increases / (Decreases) in savings	212,172	189,600	186,945	216,255	249,600
Increases / (Decreases) other liabilities	(2,369)	(187)	2,384	2,262	2,737
Net Cash Provided by (Used in) Operating Activities	**167,055**	**104,284**	**116,610**	**126,418**	**140,268**
	-	-	-	-	-
INVESTMENT ACTIVITIES					
(Increases) / Decreases in NBC Placements	(103,488)	(30,525)	(25,198)	(32,580)	(36,038)
(Increases) / Decreases in Interbank Placements and Securities	14,040	(36,661)	(15,578)	(20,316)	(21,273)
Purchase of fixed assets	(2,185)	(4,686)	(2,851)	(2,227)	(2,517)
Net Cash Provided by (Used in) Investing Activities	**(91,634)**	**(71,872)**	**(43,627)**	**(55,122)**	**(59,829)**
FINANCING ACTIVITIES					
Proceeds from / (Repayment of) Long Term Debt	(53,743)	(10,249)	(20,153)	0	(4,046)
Proceeds from / (Repayment of) Subordinated Debt	(8,583)	(5,262)	(3,283)	0	0
Payments of dividends	(10,346)	(13,757)	(17,241)	(20,613)	(24,401)
(Increases) / Decreases in reserves & other	108,104	80,133	(4,112)	(21,883)	(20,544)
Net Cash Provided by (Used in) Financing Activities	**35,433**	**50,865**	**(44,789)**	**(42,496)**	**(48,991)**
Beginning Cash Balance	**22,970**	**71,750**	**155,026**	**183,220**	**212,020**
Net Cash Flow	110,854	83,276	28,193	28,800	31,448
Ending Cash Balance	**133,824**	**155,026**	**183,220**	**212,020**	**243,468**

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b- Any Expectation of Significant Changes in Number of Employees

LOLC plans to increase its total number of staff by 177 to 4,212 in 2026 of which 2,431 will be Credit Officers. The increase is aimed at accommodating expected growth in the asset-backed lending, and SME loans, as well as the existing micro-enterprise loans. Overall, the credit officer productivity is expected to continue to gradually increase, while GLP per credit officer is also expected to continue to improve remarkably.

	Actual		Plan				
Staffing Plan	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
Total Staff	**3,704**	**4,035**	**4,212**	**4,320**	**4,401**	**4,476**	**4,544**
Increase		331	177	108	81	75	68
% Increase		8.94%	4.39%	2.56%	1.88%	1.70%	1.52%
Credit Officer	**2,388**	**2,391**	**2,431**	**2,491**	**2,541**	**2,581**	**2,621**
Increase		3	40	60	50	40	40
% Increase		0.13%	1.67%	2.47%	2.01%	1.57%	1.55%
Field Officer	**470**	**735**	**712**	**722**	**733**	**745**	**757**
Increase		265	-23	10	11	12	12
% Increase		56.38%	-3.13%	1.40%	1.52%	1.64%	1.61%
Number of Loans per Credit Officer	**162**	**155**	**159**	**167**	**173**	**181**	**188**
GLP per Credit Officer in '000 USD	**567**	**587**	**617**	**678**	**739**	**814**	**899**

c- Internal and External Sources of Capital

LOLC will be primarily financed by deposits, which are planned to grow from USD 1.2 billion as of December 2025 to USD 2.1 billion in 2030. Senior debt (borrowings) is forecast to decrease gradually to USD 1.9 million by 2030. Since LOLC has accumulated equity capital through retained earnings, there is no plan for capital injection over the next five years. Meanwhile, the reliance on subordinated debts is also expected to decrease.

(Unit: USD'000)

Sources	2023	2024	2025
Internal Sources of Capital			
Share capital	103,969	103,969	103,969
Reserves	99,177	142,990	172,042
Retained earnings	153,049	141,614	158,553
Sub-total	**356,195**	**388,573**	**434,564**
External Sources of Capital			
Borrowings	216,425	147,200	90,099
Subordinated debts	62,118	44,467	17,129
Deposits from banks and other financial institutions	47,387	83,716	67,249
Deposits from customers	856,531	917,663	950,578
Sub-total	**1,182,461**	**1,193,046**	**1,125,055**
Total	**1,538,656**	**1,581,619**	**1,559,619**

Future Development (USD'000)	2026	2027	2028	2029	2030
Internal Sources of Capital					
Share capital	104,785	104,270	103,507	103,205	103,129
Reserves & Other	123,491	122,884	121,985	121,629	121,540
Retained earnings	261,973	334,866	419,849	521,649	640,691
Sub-total	**490,248**	**562,020**	**645,341**	**746,483**	**865,361**
Senior Loan	36,356	26,107	5,954	5,953	1,908

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Subordinated debts	8,545	3,283	0	0	0
Deposits from Customer and FIs	1,230,000	1,419,600	1,606,545	1,822,800	2,072,400
Sub-total	**1,274,902**	**1,448,990**	**1,612,499**	**1,828,753**	**2,074,308**
Total	**1,765,150**	**2,011,010**	**2,257,840**	**2,575,236**	**2,939,668**

d- Material Capital expenditure and Expected Source of Funds for Such Expenditure

With the plan to expand one branch office every year over the next 5 years, LOLC's main capital expenditure will be allocated into supporting the core banking and digital banking project. Over the next 5 years, LOLC has budgeted USD 16.4 million in capital expenditure, of which 69% is allocated to IT expenditure: core banking system and EBS.

(Unit: USD'000)

New CAPEX	Actual		Plan				
	2024	2025	2026	2027	2028	2029	2030
Core Banking and EBS	2,207	914	4,517	3,084	2,065	825	823
Other CAPEX	(343)	287	7	514	1,213	1,617	1,720
Total CAPEX	**1,864**	**1,201**	**4,523**	**3,599**	**3,278**	**2,442**	**2,543**

e- Material Changes in Income, Cost of Sales, Other Operating Expenses and Net Income

There are no material changes.

f- Any Seasonal Aspects of Company's Business

There are no seasonal aspects to LOLC Cambodia's business.

g- Any Change in Company's Assets to Settle Any Liabilities

LOLC has no plan to liquidate any assets to settle its liability.

h- Any Material Loans between Holding Company and its Subsidiary

As of the date of the Disclosure Document, LOLC does not have a subsidiary.

As of the date of the Disclosure Document, LOLC does not have loans with Holding Company.

i- Any Future Contractual and Contingent Liabilities

As of the date of the Disclosure Document, LOLC is not aware of any future contractual and contingent liabilities, except for the taxation contingencies.

Taxation Contingencies

The taxation system in Cambodia is relatively new and is characterized by numerous taxes and frequently changing legislation, which is often unclear, contradictory, and subject to interpretation. Often, differing interpretations exist among numerous taxation authorities and jurisdictions. Taxes are subject to review and investigation by a number of authorities, who are enabled by law to impose severe fines, penalties and interest charges.

These facts may create tax risks that are significantly higher in Cambodia wh[illegible] other countries. The management believes that it has adequately provided for tax liabilities.

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based on its interpretation of tax legislation. However, the relevant authorities may have different interpretations, and the effects could be significant.

j- VAT, Income tax, Customs Duty or Other Un-paid Tax Liability Including Any Contingent Liabilities

j-1- VAT

As of the date of this Disclosure Document, LOLC does not have any unpaid VAT.

j-2- Income Tax

In accordance with Cambodian Law on Taxation, LOLC has an obligation to pay corporate income tax at the rate of 20% of taxable profits or the minimum tax at the rate of 1% of turnover.

j-3- Other Un-paid Tax Liability Including any Contingent Liability

As of the date of this Disclosure Document, LOLC is not aware of any additional contingent liabilities.

k- Leases

As of the date of this Disclosure Document, LOLC have the following lease liabilities.

	31 December 2025		31 December 2024		31 December 2023	
	KHR' 000	USD	KHR' 000	USD	KHR' 000	USD
Current	6,301,539	1,570,281	6,380,120	1,585,123	5,733,058	1,403,441
Non-current	21,461,242	5,347,930	22,479,645	5,585,005	21,748,608	5,324,017
Total	**27,762,781**	**6,918,211**	**28,859,765**	**7,170,128**	**27,481,666**	**6,727,458**

4. Information Related to Company's Assets

a- Property, Plant and Equipment, Biological Assets and Intellectual Properties Rights

a-1- Description of PPE

(Unit: KHR'000)

As at 31 December 2025	Furniture and equipment	Motor vehicles	Computer equipment	Leasehold improvements	Total
Cost	7,701,172	12,837,299	25,530,252	3,119,509	49,188,232
Accumulated depreciation	(6,396,121)	(10,660,368)	(20,610,212)	(2,168,178)	(39,834,879)
Carrying amounts	**1,305,051**	**2,176,931**	**4,920,040**	**951,331**	**9,353,353**

(Unit: USD'000)

Fixed Assets (Projection)	2026	2027	2028	2029	2030
Cost	22,617	26,105	29,191	31,548	34,069
Accumulated depreciation	(15,762)	(18,804)	(22,253)	(26,009)	(29,944)
Carrying amounts	**6,855**	**7,300**	**6,938**	**5,539**	**4,125**

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a-2- Description of Biological Assets

As of the date of this Disclosure Document, LOLC does not have any biological assets.

a-3- Description of Intellectual Property Rights

As of the date of this Disclosure Document, LOLC does not have any intellectual property rights.

b- Asset Valuation or Revaluation

As of the date of this Disclosure Document, LOLC did not carry out any asset valuation or revaluation.

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SECTION 5: BOARD OF DIRECTORS, SENIOR MANAGEMENT, AND SHAREHOLDERS

1- Directors and Senior Management

a- Directors

a-1- Directors (Board of Directors)

No	Name	Nationality	Date of Birth (DD/MM/YYYY)	Current Position	Appointment Date
1	Mr. Brindley Chrishantha Gajanayake de Zylva (Brindley de Zylva)	Sri Lankan	25/01/1958	Chairman	15/10/2015
2	Mr. Francisco Kankanamalage Conrad Prasad Nirosh Dias (Conrad Dias)	Sri Lankan	13/02/1971	Non-Executive Director	12/02/2018
3	Mr. Dulip Rasika Samaraweera (Dulip Rasika Samaraweera)	Sri Lankan	24/07/1978	Non-Executive Director	02/07/2018
4	Mr. Indrajith Wijesiriwardana	British	10/09/1960	Independent Director	01/01/2015
5	Mr. Chitral Nalin Wijesinha	New Zealand	11/11/1970	Independent Director	15/01/2024
6	Mr. Chandana Jayanath Kanwel Gamage	Sri Lankan	04/03/1967	Executive Director	01/02/2026

a-2- Board of Directors' Power

According to the Company's Article of Incorporation dated 11 October 2021 ("AOI"), the Board of Directors shall have the following powers:

a) Make payment for expenses incurred in the formation and registration of the Company;
b) Approve the payment of remuneration to the Company's directors and expenses for Board meeting and fix the amount of such payments;
c) Appoint and remove officers from their positions, including a general manager in charge of overall operations and day-to-day operations, and define specific powers and salary and other compensations to those officers. These officers shall perform their duties in accordance with the decisions and strategic plan made by the Board of Directors;
d) From time to time, determine the budget to be retained which is part of the surplus and budget allocated for sustainable operations;
e) Maintain the existing budget in a proper manner reserved for any purpose or eliminate reserved funds due to actual circumstances;
f) Approve the application, applying and the entering into loan agreement and authorize the principal and alternative signatory with lenders;
g) Approve the entering into contracts for general operations;
h) Approve the business plans;
i) Approve the opening and close of bank accounts and set the authorized limit amount and authorized signatories for bank account(s);
j) Elect board committee members;
k) Propose to the meeting of the shareholders for approval of the following matters:
    a. The amendment to the Article of Incorporation;
    b. The purchase, sell, or exchange the immovable property or franchise which is worth

more than USD 500,000;

c. The mortgage of the Company's immovable property or encumbrance or lease of franchise/goodwill;
d. The participation in the merger or consolidation with other commercial entities;
e. The dissolution or liquidation of the Company;
f. The declaration of dividend in accordance with the accounting principles and distribution of profits;
g. The approval on the annual audited financial statements;
h. Any other matter requiring a decision of the Shareholders.

a-3- Profiles of Directors

Mr. Brindley de Zylva – Chaiman

Brindley serves as the chairman of the board for LOLC (Cambodia) Plc., Serendib Micro Insurance Cambodia and is also the managing director of LOLC Myanmar Micro-Finance Company Ltd. With a career spanning over 40 years, Brindley has extensive experience in the Non-Bank Financial Services Industry (NBFI), including roles in licensed finance companies, microfinance institutions, specialized leasing companies, and microinsurance. His expertise in the NBFI sector covers areas such as credit and recovery management, finance, marketing, and sales. Brindley is a fellow of the Sri Lanka Institute of Credit Management and was elected as its Honorary Secretary in 2010. He has also been involved in the Council of Management of the Finance Houses Association of Sri Lanka, serving nine years as a member, four of which as vice chairman, and as a director of the Financial Ombudsman Sri Lanka (Guarantee) Limited. In 2015, Brindley transitioned to oversee regional assignments for the LOLC Group in Myanmar and Cambodia.

Mr. Conrad Dias – Non-Executive Director

Conrad was the former Group CIO and director of LOLC Holdings Plc., director/CEO of LOLC Finance Plc., and the co-founder of iPay. Conrad graduated with his master's degree from the University of Leicester, majoring in business administration. He is a fellow of the Chartered Institute of Management Accountants, a Chartered Global Management Accountant, a fellow of the British Computer Society and a fellow of the Certified Management Accountants of Sri Lanka. Conrad has contributed to LOLC Group and the local IT Industry with his 30 years of experience and possessed domain expertise in sectors such as trading, banking and finance, asset management and manufacturing. In recognition of his contribution, he was awarded the CSSL CIO of the year award in 2016 and later awarded the professional Excellence Award in 2017 at the event organized by the Institute of Certified Management of Accountants of Sri Lanka. In 2020, a year of prize for Mr. Dias, he was inducted into the Global CIO Hall of Fame 2020 and is a winner of the Global CIO100 from IDG USA.

Mr. Dulip Rasika Samaraweera – Non-Executive Director

Dulip Rasika Samaraweera is a Director of LOLC. Dulip Rasika Samaraweera is a graduate of the University of Sri Jayawardenepura, with a Degree in Physical Sciences specializing in Statistics and is a passed finalist of the Chartered Institute of Management Accountants (UK). He started his career in investment research in 2004 and joined the LOLC Group in 2007. He serves as a director of LOLC Myanmar Microfinance Limited. He is an experienced professional in financial management, process improvement, strategic planning, investments and acquisitions.

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Mr. Indrajith Wijesiriwardana – Independent Director

Indrajith is an independent director of LOLC (Cambodia) Plc. With more than 20 years of international experience in nearly 30 different countries, Indrajith is also a proficient consultant in international development finance. His experience covers key areas of expertise, including capacity building in the financial sector and Microfinance and SME Finance (MSME). Indrajith is also highly skilled in strategy and business design, developing inclusive financial systems, and developing capacity in financial institutions focusing on MSME, institutional transformations, product design and process improvements. During his career in the banking sector, he used to develop and evaluate project proposals and monitor projects before becoming a consultant. During this time, he was responsible for loan financing for small, medium, and large enterprises; trade financing; equity financing; restructuring; loan syndication; and leasing. He also took charge of managing and developing financial support services, including budgeting and monitoring, planning, accounting, and MIS. Mr. Wijesiriwardana joined LOLC (Cambodia) Plc. in January 2015.

Mr. Chitral Nalin Wijesinha – Independent Director

Chitral is an independent director of LOLC (Cambodia) Plc. He has over 27 years of experience in the financial services industry, as well as managing money for retail and wholesale clients. He has extensive knowledge and expertise in banking and finance specializing in investment and retirement planning, group superannuation, and KiwiSaver (Superannuation). His knowledge of the current industry practices, regulation/legislation, and market needs, coupled with a good understanding of the current market, has enabled him to perform his job at a very high standard. He is also currently working as director/shareholder and Principal Financial Adviser at Trilogy Financial Solutions NZ Limited (TFS). Additionally, he is a member of the Wealthpoint Financial Adviser Provider (FAP) network and holds a license to provide advice in New Zealand. He is also an active member of the Wealthpoint Investment Committee. Prior to this, Chitral worked at Citibank in foreign exchange, money market and bond trader dealing in the primary and secondary markets. He was also the Country Treasurer for Citibank Sri Lanka, and a member of ALCO responsible for liquidity, capital, and balance sheet growth of the bank (1996 to 2003).

Mr. Chandana Jayanath Kanwel Gamage – Executive Director

Mr. Chandana Jayanath is serving as executive director of LOLC (Cambodia) Plc., director of LOLC Microfinance Bank Ltd. - Pakistan, director of LOLC factors Ltd., Chief Recovery Officer for LOLC Group. Mr. Chandana has over 20 Years of experience within LOLC Group. Prior to joining LOLC Group, Mr. Chandana worked at Vanik Incorporation Limited. Mr. Chandana holds a doctorate in Philosophy from IIC University, Cambodia and MBA from Cardriff Metropolitan University, United Kingdom. He holds memberships in Sri Lanka Institute of Credit Management, Institute of Credit Management - Australia, Charted Professional Managers - Sri Lanka, Institute of Credit Management - United Kingdom. Mr. Chandana instrumented in introducing a new recovery and collection strategy in LOLC Group which is used by many overseas countries within the LOLC Group such as Cambodia, Pakistan, Kazakhstan, etc.

b- Senior Management

b-1- Senior Management

No	Name	Nationality	Date of Birth (DD/MM/YYYY)	Current Position	Appointment Date
1	Mr. Sok Voeun	Khmer	05/05/1976	Chief Executive Officer	01/06/2014
2	Mr. Sok Sophal	Khmer	20/12/1980	Deputy Chief Executive Officer / Chief Finance Officer	23/05/2019
3	Ms. Svoeuy Sodyna	Khmer	02/09/1986	Chief Risk Officer	01/03/2018
4	Mr. Romesh Perera	Sri Lankan	30/11/1979	Chief Channel Officer	01/03/2019
5	Ms. Chheang Kagna	Khmer	24/09/1978	Chief Deposit & Digital Banking Officer	01/11/2018
6	Mr. Duleep Liyanage	Sri Lankan	09/05/1983	Chief Information Officer	01/03/2019
7	Mr. Chandana Jayanath Kanwel Gamage	Sri Lankan	04/03/1967	Chief Business Revival and Litigation Officer	01/01/2026
8	Mr. Teng Pheap	Khmer	07/02/1972	Head of Internal Audit Department	15/12/2018
9	Mrs. Kheng Navy	Khmer	12/12/1988	Company Secretary	01/06/2014

b-2- Biography of Senior Management

Mr. Sok Voeun – Chief Executive Officer

Chief Executive Officer, Sok Voeun, obtained a master's degree in business administration, majoring in finance and banking at Build Bright University in 2005. He obtained his bachelor's degree in economic science in enterprise management at the former Faculty of Law and Economics in 2000. Since then, he has taken part in several training programs both at national and international levels related to the microfinance industry, credit management, human resource management, financial management, risk management, leadership, and good governance. He has visited the Boulder Institute of Microfinance in Italy, the United States, India, Thailand, Bangladesh, and South Africa for overseas microfinance training programs. He started his career as a credit officer at ACLEDA Bank Plc. He was then promoted to head of the credit control unit for the next four years. He moved to SATHAPANA Ltd. (MFI) in 2005, where he worked as operations manager in charge of day-to-day operations — managing loans, savings, money transfer transactions and market expansion — until 2010. He started working for LOLC Cambodia as chief operations officer in April 2010 and was promoted to deputy chief executive officer in December 2012. Currently, he is chief executive officer, as appointed by the board of directors beginning 01 June 2014.

Mr. Sok Sophal – Deputy Chief Executive Officer / Chief Finance Officer

Deputy Chief Executive Officer / CFO, Sok Sophal, obtained his master's degree in finance at the National University of Management in 2007. He received his Bachelor of Arts degree in English, majoring in international business at the Institute of Foreign Languages (IFL) in 2005, and his bachelor's in economic science in enterprise management at the former Faculty of Law and Economics in 2000. He has attended numerous trainings such as: the Global Climate Partnership Fund Academy in Switzerland and the 21st Century Board Leadership Model Masterclass, conducted by CA Sri Lanka Business School, both in 2022; the Boulder Program in Italy in 2019, concentrating in Management and Leadership; the Certified Management Accountant Program, focus on strategic cost management and strategic business analysis and the Board Leadership Program conducted by the Thai Institute of Directors, each in 2018; the Leadership and Diversity for Innovation Program by Women's World Banking (USA) in 2016;

the Advanced Management Program by Cornell University (Sri Lanka) in 2014; and the Syndication Loan Pricing & Structuring by Universal Network Intelligence (Malaysia) in 2013, among others. He previously worked with ACLEDA Bank Plc. starting as a management accountant before being promoted to AVP and manager of the management accounting unit in the finance department (2001-2008). In 2008, he was promoted to assistant senior vice president overseeing investment for the legal and corporate affairs division at ACLEDA. In January 2009, he was promoted to deputy head of the capital market division. Mr. Sok Sophal started working with LOLC Cambodia in August 2010 as a chief finance officer and was promoted to deputy chief executive officer in March 2019.

Ms. Svoeuy Sodyna – Chief Risk Officer

Chief Risk Officer, Svoeuy Sodyna, has completed ACCA Qualification from the most extensive professional accounting institute in the United Kingdom. She graduated with her bachelor's degree in business administration, majoring in accounting, from the National University of Management in 2006. She went on to complete her advanced diploma in accounting from CamEd Business School in early 2013. She has participated in various professional courses relevant to the industry, such as risk management, financial management, strategic planning and other microfinance-related courses. Ms. Sodyna began her career with one of the 'big four' international accounting firms as audit senior for nearly four years, during which her responsibilities included leading the audit team and completing the statutory and compliance audits for various industries, including Banks and MFIs. She kicked off her journey with LOLC Cambodia in May 2011 and was promoted to Chief Risk Officer in March 2018.

Mr. Romesh Perera – Chief Channel Officer

Mr. Romesh Perera was a former member of LOLC Finance Plc. (LOFC) Sri Lanka for 13 years prior to commencing his work as chief channel officer in LOLC Cambodia. He has robust work experience with Non-Bank Financial Services (NBFI) in both licensed finance companies and specialized banks in Sri Lanka, holding senior managerial positions for the past 21 years. Mr. Perera has diverse expertise and experience in both specialized banking and the NBFI sector, covering sales and marketing, credit risk, recovery management and finance. He is experienced in conventional and Islamic financing, trade financing, leasing, asset financing, savings and deposits growth, pawning operations and cross-operational functions. On top of that, he has successfully completed numerous professional courses related to the industry, which helped him to take over a new assignment for the LOLC group in Cambodia. He started with LOLC Cambodia in June 2017 and was promoted to chief channel officer in August 2018.

Ms. Chheang Kagna – Chief Deposit & Digital Banking Officer

Chief Deposit Officer, Chheang Kagna, obtained a master's degree in business administration at Pannasastra University of Cambodia (PUC) in 2012. She graduated with a bachelor's degree, majoring in enterprise management from the Royal University of Law and Economics (RULE) in 2000 and a degree in English literature from PUC in 2010. Mrs. Chheang Kagna has joined numerous workshops and trainings at both national and international levels covering areas related to microfinance, such as managing growth and impact, emerging digital banking, sales and relationships, customer services, product development, retail banking operations and leadership. Moreover, Mrs. Kagna has remarkable experience in the banking and microfinance sector covering 24-years of working experience. She began her career with ACLEDA Bank and went on to SATHAPANA Bank Plc., where she conceptualized, introduced and mobilized the success of SATHAPANA's deposit products and financial services between 2007 and 2016. In January 2016, Mrs. Kagna joined LOLC Cambodia as head of the deposit

and financial services department, and she was promoted to chief deposit officer in March 2019.

Mr. Duleep Liyanage – Chief Information Officer

Chief Information Officer, Duleep Liyanage, holds a master's degree in business administration, majoring in Finance from the Postgraduate Institute of Management University of Sri Jayewardenepura (Sri Lanka). Mr. Liyanage has obtained numerous certificates in his academic years. He first obtained a bachelor's degree in business computing from the University of Wolverhampton (UK). On top of that, he then acquired other information security and IT professional governance qualifications, namely, he is a Certified Payment Card Industry Security Implementer (CPISI), a Certified Android Security Specialist and has completed requirements for ISO 27001:2013 Lead Auditor. Mr. Liyanage has 19 years of experience in information technology and management. He worked in LankaPay (LankaClear (Pvt) Ld.), the National Payment Infrastructure Provider in Sri Lanka, under the guidance of the Central Bank of Sri Lanka. Besides this, he is proficient in information technology, project management, mobile technologies, payment card platforms and specializing in information security. During his tenure spell at LankaPay, he rendered his services as a security solution provider for national level payment systems in Sri Lanka, such as the online Cheque Image and Truncation System (CITS), Just Pay; the retail mobile payment system, LankaSign; the PKI based Digital Certification Authority, and more. Mr. Liyanage was an Associate Lecturer for Open University in the United Kingdom, the University of Sri Jayewardenepura, and the Wayamba University of Sri Lanka.

Mr. Chandana Jayanath Kanwel Gamage - Chief Business Revival and Litigation Officer

Mr. Chandana Jayanath is serving as executive director of LOLC (Cambodia) Plc., director of LOLC Microfinance Bank Ltd. - Pakistan, director of LOLC factors Ltd., Chief Recovery Officer for LOLC Group. Mr. Chandana has over 20 Years of experience within LOLC Group. Prior to joining LOLC Group, Mr. Chandana worked at Vanik Incorporation Limited. Mr. Chandana holds a doctorate in Philosophy from IIC University, Cambodia and MBA from Cardriff Metropolitan University, United Kingdom. He holds memberships in Sri Lanka Institute of Credit Management, Institute of Credit Management - Australia, Charted Professional Managers - Sri Lanka, Institute of Credit Management - United Kingdom. Mr. Chandana instrumented in introducing a new recovery and collection strategy in LOLC Group which is used by many overseas countries within the LOLC Group such as Cambodia, Pakistan, Kazakhstan, etc.

Mr. Teng Pheap - Head of Internal Audit Department

Mr. Teng Pheap completed a master's degree of business administration, majoring in accounting and finance at Western University in 2008. He obtained his bachelor's degree of business administration in accounting from the National Institute of Business in 2004 and an associate's degree in banking, majoring in accounting and finance, in 2000. He has attended numerous training courses, such as in the international professional practice framework in Malaysia, business planning and managing growth in the Philippines, effective internal control in Mongolia, bank experience sharing in Sri Lanka, and other training courses in Cambodia on risk management, advanced internal auditing, report writing, leadership skills, and information security management system. Over the past 15 years, Mr. Pheap has worked for many microfinance institutions and non- governmental organizations in Cambodia, including Catholic Relief Services from 1999-2003 as an internal auditor and branch manager. From there, Mr.

Pheap worked for Angkor Microfinance Kampuchea (2004-2008) as regional manager and audit team leader, and he started working at LOLC Cambodia as head of the internal audit department in December 2008.

Mrs. Kheng Navy - Company Secretary

Mrs. Kheng Navy obtained a bachelor's degree in economics focused on enterprise management at the Royal University of Law and Economics (RULE) in 2010. She received a second bachelor's in professional communication at the Institute of Foreign Languages (IFL), the Royal University of Phnom Penh, in 2012. She went on to complete research at SOK KONG IMPORT-EXPORT Co., LTD (SOKIMEX) and obtained a diploma of Intensive English for Academic Purposes (IEAP) at Paññāsāstra Institute of Foreign Languages. Ms. Navy has participated in various professional development programs, such as principles of accounting, report writing, green lending, leadership and corporate governance trainings. Before joining LOLC Cambodia, she worked at WING (Cambodia) Ltd. as a call center consultant in 2012. She began her journey with LOLC Cambodia as an assistant secretary in 2013 and was promoted to company secretary in 2014.

c- Directors Who Are Also a Director, a Shareholder, a Co-owner or a Partner of Another Company:

No	Name of Director	Name of Related Company	Director or Shareholder or Owner or Partner
1	Mr. Brindley de Zylva	- Serendib Micro Insurance Cambodia - LOLC Myanmar Micro-Finance Company Ltd	- Chairman - Managing Director
2	Mr. Chitral Nalin Wijesinha	- Trilogy Financial Solutions NZ Limited (TFS) - Wealthpoint Financial Adviser Provider (FAP) network - Wealthpoint Investment Committee	- Director/Shareholder and Principal Financial Adviser
3	Mr. Conrad Dias	- LOLC Finance Plc. - Serendib Micro Insurance Cambodia	- Director/CEO - Director
4	Mr. Dulip Rasika Samaraweera	- LOLC Life Assurance Ltd. - Director in Financial Service Entities, Investment and holding Companies and Technology, Manufacturing, Trading and Leisure Companies in several countries such Myanmar, Philippines, Kenya, Ghana, Pakistan, Egypt, Zimbabwe, Tanzania, Zambia, Rwanda, India, Sri Lanka and Singapore.	- Acting Chief Executive Officer - Director
5	Mr. Indrajith Wijesiriwardana	- Serendib Micro Insurance Cambodia - UVADES Consulting Ltd	- Independent Director - Self-employed
6	Mr. Chandana Jayanath Kanwel Gamage	- LOLC Holding Plc. - LOLC Microfinance Bank, Pakistan - LOLC Factors LTD	- Chief Recovery Officer - Non-executive director - Director

2- Investment of Directors and Senior Officers in Certain Legal Proceedings for the Last 10 Years

a- Bankruptcy petitioned against any company in which any senior officer or director of the issuer was a director, a senior officer or a partner

As of the date of filing this Disclosure Document to the SERC, none of the directors and senior officers of LOLC were involved in a bankruptcy petitioned against any company in which any director or senior officer of LOLC was a director, a senior officer or a partner, for the past 10 years.

b- Conviction of any crime or any criminal proceeding pending against director or senior officer

As of the date of filing this Disclosure Document to the SERC, none of the directors and senior officers of LOLC were convicted of any crime or any criminal proceeding for the past 10 years.

c- Permanent/temporary jurisdiction of any competent court against any director or senior officer enjoining, barring, suspending or limiting the involvement in any securities or business activity

As of the date of filing this Disclosure Document to the SERC, none of the directors and senior officers of LOLC were involved in court proceedings under any jurisdiction for enjoining, barring, suspending or limiting the involvement in any securities or business activity.

d- Decision of the SERC, Foreign Securities and Exchange Commission or other regulators enjoining, barring, suspending or limiting the involvement of directors or senior officers in any securities or business activity

As of the date of filing this Disclosure Document to the SERC, LOLC, to the best of its knowledge and belief, is not aware of any decision of the SERC, Foreign Securities and Exchange Commission or other regulators enjoining, barring, suspending, or limiting the involvement of directors or senior officers in any securities or business activity.

3- Remuneration or Compensation of Directors and Senior Management

(Unit: USD)

No	Position	Total		
		2023 (Audited)	2024 (Audited)	2025 (Audited)
1	All Directors	192,172	185,311	188,194
2	All Key Management	3,067,150	3,247,509	3,263,764

4- Shareholders

No	Full name	Description	No. of Shares	Percentage of Ownership
1	LOLC ASIA Private Limited	A private limited company incorporated in Singapore	4,115,192	96.97%
2	TPC-ESOP Co., Ltd.	A private limited company incorporated in Cambodia	128,582	3.03%
Total			**4,243,774**	**100.00%**

5- Board Committees

Audit Committee

The Audit Committee is the board committee that assist the Board of Directors in fulfilling its oversight responsibility relating to internal control, performance review, compliance with legal and regulatory requirements.

The primary responsibilities of this committee are including:

- Ensuring accuracy of financial statements;
- Ensuring effectiveness of internal control system;
- Reviewing internal auditors' and head of internal audit department's performance;
- Reviewing the external auditor scope and performance;
- Reviewing the effectiveness of the system for monitoring compliance with laws and regulations;
- Reporting to Board of Directors;
- Meeting at least quarterly.

The committee is chaired by an independent board member with expertise in finance, accounting, legal issues and/or banking.

The Audit Committee is composed of:

No	Name	Position	Position in Committee
1	Mr. Chitral Nalin Wijesinha	Independent Director	Committee Chair
2	Mr. Dulip Rasika Samaraweera	Non-Executive Director	Member
3	Mr. Indrajith Wijesiriwardana	Independent Director	Member
4	Mr. Chandana Jayanath Kanwel Gamage	Executive Director	Member

Enterprise Risk Management and Compliance Committee

The Enterprise Risk Management and Compliance Committee is the board committee that monitor the implementation of risk management policies and compliance work as defined by the Board. The primary responsibilities of this committee are including:

- Ensuring that there is an effective risk management system for the operation of the business;
- Ensuring that there are proper policies in place;
- Meeting at least quarterly;
- Reporting to the Board of Directors.

The Committee is chaired by an independent board member with expertise in finance and risk management.

The Risk Management and Compliance Committee is composed of:

No	Name	Position	Position in Committee
1	Mr. Chitral Nalin Wijesinha	Independent Director	Committee Chair
2	Mr. Brindley de Zylva	Chairman	Member
3	Mr. Conrad Dias	Non-Executive Director	Member
4	Mr. Chandana Jayanath Kanwel Gamage	Executive Director	Member

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Appointment and Remuneration Committee

The Appointments and Remuneration Committee is the board committee that overview effective organizational structure in operations and competitive human resources and compensation policies and practices.

The primary responsibilities of this committee are including:

- Reviewing all aspects of human resource management (HRM) policy including remuneration issues;
- Ensuring the effectiveness and efficiency of the practice of the HRM policy;
- Proposing to the Shareholders for compensation of directors and ensuring fair treatment to all employees;
- Ensuring the full compliance of HRM policy with Cambodian laws and regulations;
- Meeting at least quarterly;
- Reporting to the Board of Directors.

The Appointments and Remuneration Committee shall be chaired by an independent board member with expertise in human resource management, legal issues, and banking.

The Appointment and Remuneration Committee is composed of:

No	Name	Position	Position in Committee
1	Mr. Indrajith Wijesiriwardana	Independent Director	Committee Chair
2	Mr. Conrad Dias	Non-Executive Director	Member
3	Mr. Dulip Rasika Samaraweera	Non-Executive Director	Member

IT Steering Committee

The IT Steering Committee is the board committee that overview the major IT-related development and issues. The primary responsibilities of this committee are including:

- Ensure IT investments represent a balance of risks and benefits, and those budgets are adequate;
- Recommend priorities for new technology initiatives that benefit LOLC's business operations;
- Ensure that the IT Strategic Plan is aligned with the Business Plan;
- Oversee and monitor the execution of the IT strategy.

The Committee is chaired by a director who has a firm background related to IT.

The IT Steering Committee is composed of:

No	Name	Position	Position in Committee
1	Mr. Conrad Dias	Non-Executive Director	Committee Chair
2	Mr. Brindley de Zylva	Chairman	Member
3	Mr. Indrajith Wijesiriwardana	Independent Director	Member

6- Corporate Disclosure Officer

No	Name	Position	Email	Telephone Number
1	Mr. Sok Sophal	DCEO/CFO	soksophal@lolc.com.kh	081 800 003
2	Ms. Try Sola	Head of Treasury	trysola@lolc.com.kh	081 900

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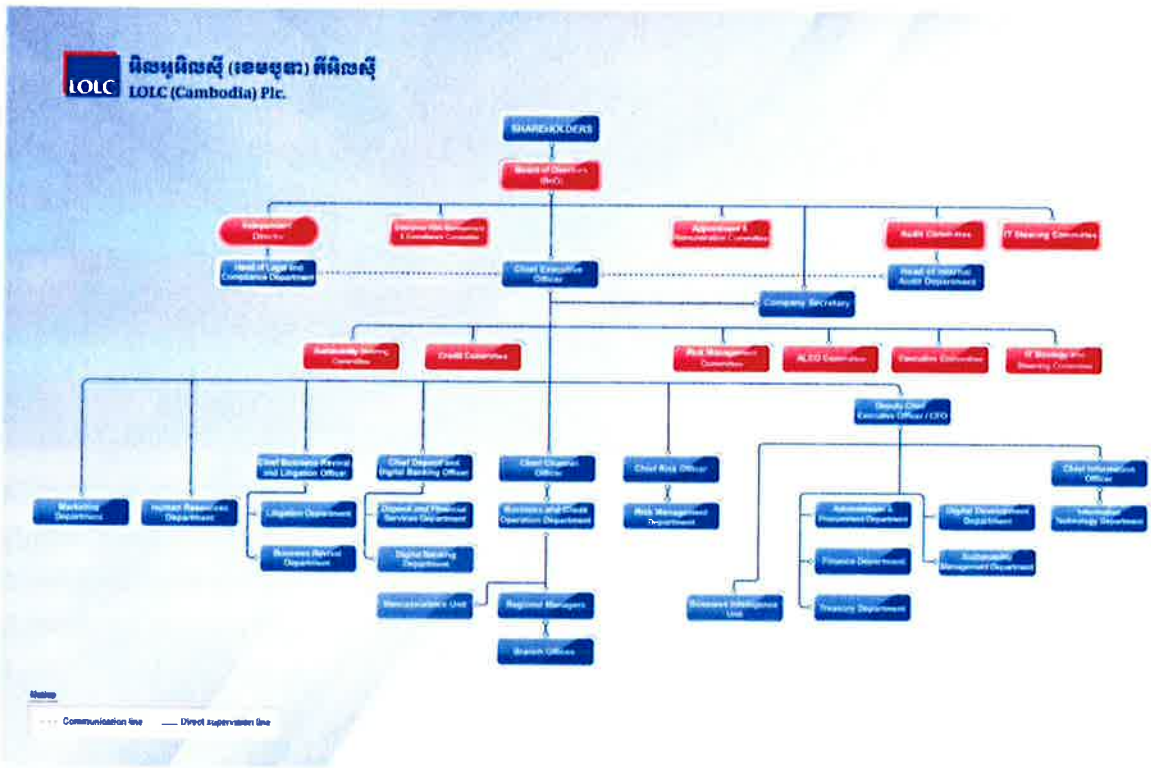
7- Organizational Chart



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SECTION 6: RELATIONSHIP AND TRANSACTION(S) WITH RELATED PARTIES

1- Related Parties and Relationship

As at the date of the filing of the application, the related parties of, and their relationship with, LOLC are as follows:

Related Parties	Relationship
LOLC Holdings Plc.	Ultimate parent
LOLC Asia Private Limited	Shareholder
TPC-ESOP Co., Ltd.	Shareholder
Entity under the same parent company	Related company
All directors of the Company who make critical decisions in relation to the strategic direction of the Company and senior management staff (including their close family members)	Key management personnel

2- Transactions with shareholders during the last 2 years prior to the filing of application

	31 December 2025		31 December 2024	
	KHR'000	USD	KHR'000	USD
Loan outstanding to shareholders	N/A	N/A	N/A	N/A
Deposit from shareholders	105,727	26,346	100,670	25,011

3- Transactions with directors or senior officers or persons whereby directors or senior officers of the company has interest during the last 2 years prior to the filing of application

LOLC has entered into the following transaction with any Director or Senior Officer or any other person in which the Director or Senior Officer of LOLC hold an interest during the 2 years period prior to the date of filing the application.

Description	31 December 2025		31 December 2024	
	KHR'000	USD	KHR'000	USD
Loans to key management personnel	2,007,773	500,317	2,895,100	719,280
Deposits from board of directors	2,283,971	569,143	2,224,157	552,586
Deposits from key management personnel	22,954,817	5,720,114	18,242,169	4,532,216
Total	**27,246,561**	**6,789,574**	**23,361,426**	**5,804,082**

4- Transactions with shareholders holding at least 5% of company's outstanding shares during the last 2 years prior to the filing of application

LOLC has entered into the following material transactions with a Shareholder holding at least 5% of company's outstanding shares during the last 2 years prior to the filling of the application.

	31 December 2025		31 December 2024	
	KHR'000	USD	KHR'000	USD
Loan to shareholders	N/A	N/A	N/A	N/A
Deposit from shareholders	105,727	26,346	100,670	25,011
Total	**105,727**	**26,346**	**100,670**	**25,011**

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5- Transactions with related companies during the last 2 years prior to the filing of application

LOLC has entered into the following material transactions with related companies during the last 2 years prior to the filling of the application.

	31 December 2025		31 December 2024	
	KHR'000	USD	KHR'000	USD
Deposit from related companies	1,437,880	358,306	1,168,501	290,311
Incomes from related companies	11,605,540	2,893,428	8,343,853	2,049,583
Expenses/payment to related companies	3,727,125	929,226	3,919,248	962,724
Total	**16,770,545**	**4,180,960**	**13,431,602**	**3,302,618**

6- Transactions with family members of directors or senior officers or shareholders holding at least 5% of the outstanding shares during the last 2 years prior to the filing of application

LOLC has not entered into any material transactions with any family member of a Director, Senior Officer or Shareholder holding at least 5% of the outstanding shares in the capital of the Company during the 2 year period prior to the date of filing the application.

7- Transactions with persons who have relationship with directors of company, its subsidiary or holding company where relationship occurred in the transaction or any arrangement with the company during the last 2 years prior to the filing of application

LOLC has not entered into any material transactions with persons who have a relationship with a Director of LOLC or its related entity where such relationship occurred in a transaction or arrangement with LOLC during the 2 year period prior to the date of filing of application.

8- Transactions with persons who were directors or with any person who has relation with the former directors of company during the last 2 years prior to the filing of application

LOLC has not entered into any material transactions with persons who were previously a director of LOLC or with any person who has a relationship with a former director of LOLC during the 2 year period prior to the date of filing the application.

9- Transactions with directors holding any position in an association or non-profit organization or other companies for the last 2 years prior to the filing of application

LOLC has not entered into any material transactions with a Director holding any position in an association or non-profit organization or other company in the 2 year period prior to the filing of the application.

10- Transactions with directors receiving any interest or professional fee for services in which director provided via any firm to issuer during the last 2 prior to the filing of application

LOLC has not entered into any material transactions with any Director receiving any interest or professional fee for services in which the Director provided the services via any firm to LOLC during the last 2 years period prior to the date of filing the application.

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SECTION 7: FINANCIAL INFORMATION

1- Exchange Rate

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The functional currency is the Khmer Riel ("KHR") because of the significant influence of the KHR on its operations. The financial statements are presented in KHR, which is the Company's functional currency.

Transaction in foreign currencies are translated into the functional currency at the exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. The foreign currency gain or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payment during the year, and the amortised cost in the foreign currency translated at the spot exchange rate at the end of the year. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value is determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognized in the statement of profit or loss on a net basis within 'other gains/(losses) – net'.

The translation of Khmer Riel ("KHR") into US$ is solely for management's use only and is based on the official exchange rates published by the National Bank of Cambodia as at the reporting dates and average rate for the period. The translations of "KHR" into "US$" amounts meets the presentation requirements pursuant to the Law on Accounting and Auditing and has been done in accordance with the translation method of CIAS 21 –The Effects of Changes in Foreign Exchange Rates. Such translation amounts should not be construed as representations that the KHR amounts represent or have been or could be converted into US$ at that or any other rate.

Date	31st Dec 2023	31st Dec 2024	31st Dec 2025
Closing rate	4,085	4,025	4,013
Average rate	4,110	4,071	4,011

2- Historical Financial Information

The following information shows historical financial and operating information for the years ended 31 December 2023, 2024, and 2025. The selected statements of comprehensive income and statement of financial position have been extracted from the financial statements included in Appendix 3 and 4.

Financial information for the years ended 31 December 2023, 2024, and 2025 have been audited.

a- Statement of Comprehensive Income for the years ended 31 December 2023, 2024, and 2025

Description	For the period between					
	January-December 2023 (Audited)		January-December 2024 (Audited)		January-December 2025 (Audited)	
	KHR'000	USD	KHR'000	USD	KHR'000	USD
Interest Income	891,105,944	216,814,098	889,181,399	218,418,423	895,915,452	223,364,610
Interest Expense	(354,216,437)	(86,184,048)	(347,156,997)	(85,275,607)	(290,319,190)	(72,380,750)
Net Interest Income	**536,889,507**	**130,630,050**	**542,024,402**	**133,142,816**	**605,596,262**	**150,983,860**
Fee and Commission Income	22,222,917	5,407,036	16,802,961	4,127,478	18,368,020	4,579,412
Fee and Commission Expense	(832,034)	(202,441)	(641,516)	(157,582)	(673,518)	(167,918)
Net Fee and Commission Income	**21,390,883**	**5,204,595**	**16,161,445**	**3,969,896**	**17,694,502**	**4,411,494**
Other Operating Income	5,671,028	1,379,812	8,816,472	2,165,677	13,153,974	3,279,475
Other (losses)/gains-net	2,892,912	703,872	(1,712,699)	(420,707)	5,902,526	1,471,585
Credit Impairment (losses)/reversal	19,600,358	4,768,944	(110,687,157)	(27,189,181)	(115,257,081)	(28,735,248)
Net Losses on Derecognition of Financial Assets Measured at Amortized Cost	(29,849,686)	(7,262,697)	(25,999,966)	(6,386,629)	2,919,807	727,950
Net Other Operating Loss	**(1,685,388)**	**(410,069)**	**(129,583,350)**	**(31,830,840)**	**(93,280,774)**	**(23,256,238)**
Personnel Expenses	(148,471,679)	(36,124,496)	(149,481,354)	(36,718,584)	(162,229,259)	(40,446,088)
Depreciation and Amortization Charges	(14,201,166)	(3,455,272)	(14,723,746)	(3,616,739)	(14,715,233)	(3,668,719)
Other Operating Expenses	(54,831,042)	(13,340,886)	(58,860,195)	(14,458,412)	(81,095,887)	(20,218,371)
Profit before income tax	**339,091,115**	**82,503,922**	**205,537,202**	**50,488,137**	**271,969,611**	**67,805,938**
Income tax expense	(69,005,113)	(16,789,565)	(42,693,330)	(10,487,185)	(59,816,721)	(14,913,169)
Profit for the year	**270,086,002**	**65,714,357**	**162,843,872**	**40,000,952**	**212,152,890**	**52,892,769**

b- Statement of Financial Position as of 31 December 2023, 2024, and 2025

Description	The period ended					
	31-December-2023 (Audited)		31-December-2024 (Audited)		31-December-2025 (Audited)	
	KHR'000	USD	KHR'000	USD	KHR'000	USD
Assets						
Cash on hand	124,372,008	30,446,024	108,021,390	26,837,612	92,180,590	22,876,261
Deposits and placements with the National Bank of Cambodia	134,192,224	32,849,994	221,714,379	55,084,318	139,948,084	34,873,[illegible]

Deposits and placements with banks	672,287,486	164,574,660	556,774,147	138,328,981	463,605,580	115,525,936
Investment securities at amortised cost	-	-	3,339,960	829,804	3,324,861	828,523
Investment in Associate	-	-	-	-	4,013,000	1,000,000
Financial assets at fair value through other comprehensive income	61,275	15,000	60,375	15,000	60,195	15,000
Loans and advances at amortised cost	5,003,139,376	1,224,758,721	5,135,970,992	1,276,017,638	5,242,505,943	1,306,380,748
Statutory deposits with the National Bank of Cambodia	371,611,761	90,969,831	339,868,390	84,439,352	340,478,606	84,843,909
Property and equipment	12,145,516	2,973,198	9,624,545	2,391,192	9,353,353	2,330,763
Right-of-use assets	28,661,010	7,016,159	30,640,659	7,612,586	29,560,613	7,366,213
Intangible Assets	7,818,094	1,913,854	11,814,205	2,935,206	10,549,759	2,628,896
Deferred Tax Assets-Net	29,627,908	7,252,854	23,543,707	5,849,368	-	-
Other Assets	20,679,113	5,062,207	20,787,876	5,164,690	23,027,947	5,738,337
Total Assets	**6,404,595,771**	**1,567,832,502**	**6,462,160,625**	**1,605,505,747**	**6,358,608,531**	**1,584,502,500**
Liabilities and Equities						
Liabilities						
Deposits From Banks and Other Financial Institutions	193,575,862	47,386,992	336,956,689	83,715,948	269,871,824	67,249,395
Deposits From Customers	3,498,928,575	856,530,863	3,693,593,747	917,663,043	3,814,670,116	950,578,150
Borrowings	884,096,100	216,424,994	592,478,916	147,199,731	361,568,498	90,099,301
Lease Liabilities	27,481,666	6,727,458	28,859,765	7,170,128	27,762,781	6,918,211
Current Income Tax Liabilities	50,339,592	12,323,034	28,116,358	6,985,431	26,519,092	6,608,296
Deferred Tax Liabilities-Net	-	-	-	-	549,917	137,034
Employee Benefits	2,099,290	513,902	1,826,652	453,827	1,566,852	390,444
Other Liabilities	39,263,064	9,611,521	37,343,832	9,277,970	43,456,183	10,828,854
Subordinated Debts	253,753,175	62,118,280	178,978,277	44,466,653	68,736,671	17,128,500
Total Liabilities	**4,949,537,324**	**1,211,637,044**	**4,898,154,236**	**1,216,932,731**	**4,614,701,934**	**1,149,938,185**
Equity						
Share Capital	424,377,400	103,969,218	424,377,400	103,969,218	424,377,400	103,969,218
Retained Earnings	623,203,250	153,048,830	578,409,737	141,614,157	646,262,261	158,544,691
General Reserves	380,415,116	93,768,951	380,415,116	93,768,951	380,415,116	93,768,951
Regulatory Reserves	21,938,040	5,367,761	49,192,708	12,139,107	173,127,727	43,022,291
Other Reserves	5,124,641	1,254,502	131,611,428	32,679,791	119,724,093	29,717,584
Currency Translation Reserves	-	(1,213,804)	-	4,401,792	-	5,541,380
Total Equity	**1,455,058,447**	**356,195,458**	**1,564,006,389**	**388,573,016**	**1,743,906,597**	**434,564,315**
Total Liabilities and Equities	**6,404,595,771**	**1,567,832,502**	**6,462,160,625**	**1,605,505,747**	**6,358,608,531**	**1,584,502,500**

c- Statement of Cash Flow as of 31 December 2023, 2024, and 2025

Description	For the period between					
	January-December 2023 (Audited)		January-December 2024 (Audited)		January-December 2025 (Audited)	
	KHR'000	USD	KHR'000	USD	KHR'000	USD
Cash flows from operating activities						
Cash (used in)/generated from operations	256,281,782	62,355,666	(51,544,368)	(12,661,354)	(313,575,463)	(78,178,874)
Interest received	890,607,708	216,692,873	857,923,480	210,740,231	852,543,466	212,551,350
Interest paid	(340,407,104)	(82,824,113)	(358,883,118)	(88,156,010)	(299,469,944)	(74,662,165)
Income tax paid	(74,027,325)	(18,011,515)	(58,832,363)	(14,451,575)	(37,320,363)	(9,304,503)
Employee benefits paid	(7,355,020)	(1,789,542)	(7,543,083)	(1,852,882)	(7,421,082)	(1,850,182)
Net cash generated from operating activities	**725,100,041**	**176,423,369**	**381,120,548**	**93,618,410**	**194,756,614**	**48,555,626**
Cash flows from investing activities						
Deposits and placements with the National Bank of Cambodia	(269,560)	(65,586)	(41,980,661)	(10,312,125)	46,757,181	11,657,238
Investment in Associate	-	-	-	-	(4,011,000)	(1,000,000)
Purchases of investment securities at amortized cost	-	-	(3,346,213)	(821,963)	-	-
Purchases of property and equipment	(9,256,605)	(2,252,215)	(2,894,453)	(710,993)	(5,157,433)	(1,285,822)
Purchases of intangible assets	(3,024,926)	(735,992)	(6,295,155)	(1,546,341)	(514,983)	(128,393)
Proceeds from disposals of property and equipment	550,858	134,029	291,330	71,562	200,353	49,951
Net cash from/(used) in investing activities	**(12,000,233)**	**(2,919,764)**	**(54,225,152)**	**(13,319,860)**	**37,274,118**	**9,292,974**
Cash flows from financing activities						
Proceeds from borrowings	97,365,032	23,689,789	121,160,750	29,761,914	136,829,165	34,113,479
Proceeds from subordinated debts	-	-	-	-	(364,608,580)	(90,902,164)
Repayments of borrowings	(479,619,214)	(116,695,673)	(401,676,040)	(98,667,659)	-	-
Repayments of subordinated debts	(54,382,800)	(13,231,825)	(71,111,400)	(17,467,797)	(108,631,800)	(27,083,470)
Payment of transaction costs	(290,518)	(70,686)	(660,750)	(162,307)	(680,165)	(169,575)
Payment of dividend to shareholders	(10,096,982)	(2,456,687)	(53,895,930)	(13,238,990)	(32,252,682)	(8,041,058)
Principal element of lease payments	(5,931,236)	(1,443,123)	(7,839,501)	(1,925,694)	(7,531,334)	(1,877,670)
Net cash used in financing activities	**(452,955,718)**	**(110,208,205)**	**(414,022,871)**	**(101,700,533)**	**(376,875,396)**	**(93,960,458)**
Net (decrease)/increase in cash and cash equivalents	**260,144,090**	**63,295,400**	**(87,127,475)**	**(21,401,983)**	**(144,844,664)**	**(36,114,858)**

Cash and cash equivalents at beginning of the year	672,183,723	163,270,275	932,327,813	228,232,023	845,200,338	209,987,662
Currency translation differences	-	1,666,348	-	3,157,620	-	645,920
Cash and cash equivalents at end of the year	**932,327,813**	**228,232,023**	**845,200,338**	**209,987,660**	**700,355,674**	**174,521,723**

d- Key Financial Ratios

In US$	2025	2024	2023
1. Capital Ratios			
1.1 Equity to Total Assets (1)/(2) (in %)	**27.43%**	**24.20%**	**22.72%**
Total equity (1)	434,564,315	388,573,016	356,195,458
Total assets (2)	1,584,502,500	1,605,505,747	1,567,832,502
1.2 Tier 1 Capital to Total Assets (1)/(2) (in %)	**24.47%**	**18.67%**	**20.91%**
Tier 1 Capital (1)	387,660,425	299,788,916	327,840,758
Total assets (2)	1,584,502,500	1,605,505,747	1,567,832,502
1.3 Tier 1 Capital to Risk Weighted Assets (1)/(2) (in %)	**25.93%**	**20.84%**	**23.21%**
Tier 1 Capital (1)	387,660,425	299,788,916	327,840,758
Risk weighted assets (2)	1,495,016,491	1,438,425,185	1,412,496,972
1.4 Tier 1 + Tier 2 Capital to Risk Weighted Assets (1)/(2) (in %)	**27.97%**	**24.80%**	**28.55%**
Tier 1 + Tier 2 Capital (1)	418,101,725	356,666,054	403,214,758
Risk weighted assets (2)	1,495,016,491	1,438,425,185	1,412,496,972
1.5 Regulatory capital to assets (1)/(2) (in %)	**26.39%**	**22.22%**	**25.72%**
Regulatory capital (1)	418,101,725	356,666,054	403,214,758
Total assets (2)	1,584,502,500	1,605,505,747	1,567,832,502
1.6 Capital adequacy ratio (1)/(2) (in %)	**27.97%**	**24.80%**	**28.55%**
Regulatory capital (1)	418,101,725	356,666,054	403,214,758
Risk weighted assets (2)	1,495,016,491	1,438,425,185	1,412,496,972
1.7 Debt to Assets (1)/(2) (in %)	**72.57%**	**75.80%**	**77.28%**
Total liabilities (1)	1,149,938,185	1,216,932,731	1,211,637,044
Total assets (2)	1,584,502,500	1,605,505,747	1,567,832,502

1.8 Debt to Equity (1)/(2) (in %)	**264.62%**	**313.18%**	**340.16%**
Total liabilities (1)	1,149,938,185	1,216,932,731	1,211,637,044
Total equity (2)	434,564,315	388,573,016	356,195,458
1.9 Dividend to Net Profit (1)/(2) (in %)	**19.81%**	**19.96%**	**4.21%**
Dividend (1)	8,041,058	13,113,365	2,470,512
Net profit (2)	40,599,320	65,714,357	58,695,280
2. Assets Quality Ratios			
2.1 Banking Reserves to Total Loans (1)/(2) (in %)	**6.18%**	**6.39%**	**7.30%**
Banking reserves (1)	84,843,909	84,439,352	90,969,831
Total gross loan (2)	1,373,095,015	1,320,835,911	1,246,507,114
2.2 Banking Reserves to Total Assets (1)/(2) (in %)	**5.35%**	**5.26%**	**5.80%**
Banking reserves (1)	84,843,909	84,439,352	90,969,831
Total assets (2)	1,584,502,500	1,605,505,747	1,567,832,502
2.3 Non-performing Loan to Total Loans (1)/(2) (in %)	**11.74%**	**6.82%**	**2.35%**
Non-performing Loan (1)	161,249,830	90,106,430	29,354,242
Total gross loan (2)	1,373,095,015	1,320,835,911	1,246,507,114
2.4 Non-performing Loan to Total Assets (1)/(2) (in %)	**10.18%**	**5.61%**	**1.87%**
Non-performing Loan (1)	161,249,830	90,106,430	29,354,242
Total assets (2)	1,584,502,500	1,605,505,747	1,567,832,502
2.5 Classified Assets to Total Loans (1)/(2) (in %)	**11.74%**	**6.82%**	**2.35%**
Classified assets (1)	161,249,830	90,106,430	29,354,242
Total gross loan (2)	1,373,095,015	1,320,835,911	1,246,507,114
2.6 Classified Assets to Total Assets (1)/(2) (in %)	**10.18%**	**5.61%**	**1.87%**
Classified assets (1)	161,249,830	90,106,430	29,354,242
Total assets (2)	1,584,502,500	1,605,505,747	1,567,832,502
2.7 Classified Assets to Total Equity (1)/(2) (in %)	**37.11%**	**23.19%**	**8.24%**
Classified assets (1)	161,249,830	90,106,430	29,354,242
Total equity (2)	434,564,315	388,573,016	356,195,458
2.8 Loan to Related Parties to Total Loans (1)/(2) (in %)	**0.04%**	**0.05%**	**0.09%**
Loan to related parties (1)	500,317	719,280	1,069,680
Total gross loan (2)	1,373,095,015	1,320,835,911	1,246,507,114

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2.9 Large Exposure to Total Loans (1)/(2) (in %)	**0.00%**	**0.00%**	**0.00%**
Large exposure (1)	0	0	0
Total gross loan (2)	1,373,095,015	1,320,835,911	1,246,507,114
2.10 Loan to Related Parties to Regulatory capital (1)/(2) (in %)	**0.12%**	**0.20%**	**0.27%**
Loan to related parties (1)	500,317	719,280	1,069,680
Regulatory capital (2)	418,101,725	356,666,054	403,214,758
2.11 Large Exposure to Regulatory capital (1)/(2) (in %)	**0.00%**	**0.00%**	**0.00%**
Large exposure (1)	0	0	0
Regulatory capital (2)	418,101,725	356,666,054	403,214,758
2.12 General Provision to Total Loans (1)/(2) (in %)	**0.45%**	**0.36%**	**0.46%**
General provision (1)	6,154,579	4,700,575	5,739,847
Total gross loan (2)	1,373,095,015	1,320,835,911	1,246,507,114
2.13 Specific Provision to Total Loans (1)/(2) (in %)	**4.41%**	**3.04%**	**1.28%**
Specific provision (1)	60,559,688	40,117,698	16,008,546
Total gross loan (2)	1,373,095,015	1,320,835,911	1,246,507,114
2.14 Specific Provision to Non-performing Loans (1)/(2) (in %)	**37.56%**	**44.52%**	**54.54%**
Specific provision (1)	60,559,688	40,117,698	16,008,546
Non-performing Loans (2)	161,249,830	90,106,430	29,354,242
2.15 All allowances to Total Assets (1)/(2) (in %)	**4.28%**	**2.88%**	**1.48%**
Total provision (1)	67,865,879	46,171,715	23,279,021
Total assets (2)	1,584,502,500	1,605,505,747	1,567,832,502
2.16 Loans to Deposits (1)/(2) (in %)	**144.45%**	**143.93%**	**145.53%**
Total gross loans to non-bank customers (1)	1,373,095,015	1,320,835,911	1,246,507,114
Total customers' deposits (2)	950,578,150	917,663,043	856,530,863
3. Profitability Ratios			
3.1 Return on Asset (1)/(2) (in %)	**3.34%**	**2.49%**	**4.19%**
Net profit (1)	52,892,769	40,000,952	65,714,357
Total assets (2)	1,584,502,500	1,605,505,747	1,567,832,502
3.2 Return on Equity (1)/(2) (in %)	**12.17%**	**10.29%**	**18.45%**
Net profit (1)	52,892,769	40,000,952	65,714,357
Total equity (2)	434,564,315	388,573,016	356,195,458

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3.3 Gross Yield (1)/(2) (in %)	**14.10%**	**13.60%**	**13.83%**
Interest Income (1)	223,364,610	218,418,423	216,814,098
Total assets (2)	1,584,502,500	1,605,505,747	1,567,832,502
3.4 Net Interest Margin to Total Assets ((1-2)/(3)) (in %)	**9.53%**	**8.29%**	**8.33%**
Interest income (1)	223,364,610	218,418,423	216,814,098
Interest expense (2)	72,380,750	85,275,607	86,184,048
Total assets (3)	1,584,502,500	1,605,505,747	1,567,832,502
3.5 Net Interest Margin ((1-2)/(3)) (in %)	**10.15%**	**9.19%**	**8.42%**
Interest income (1)	223,364,610	218,418,423	216,814,098
Interest expense (2)	72,380,750	85,275,607	86,184,048
Average earning assets (3)	1,486,822,240	1,448,319,344	1,387,414,883
3.6 Other Income to Total Assets (1)/(2) (in %)	**0.21%**	**0.13%**	**0.09%**
Other income (1)	3,279,475	2,165,677	1,379,812
Total assets (2)	1,584,502,500	1,605,505,747	1,567,832,502
3.7 Total provision expense to Total Assets (1)/(2) (in %)	**1.81%**	**1.69%**	**-0.30%**
Total provision expense (1)	28,735,248	27,189,181	(4,768,944)
Total assets (2)	1,584,502,500	1,605,505,747	1,567,832,502
3.8 Overhead (OHEAD) to Total Assets (1)/(2) (in %)	**0.01%**	**0.01%**	**0.01%**
Non-interest expenses (1)	167,918	157,582	202,441
Total assets (2)	1,584,502,500	1,605,505,747	1,567,832,502
3.9 Net income before Tax to Total Assets (1)/(2) (in %)	**4.28%**	**3.14%**	**5.26%**
Net income before tax (1)	67,805,938	50,488,137	82,503,922
Total assets (2)	1,584,502,500	1,605,505,747	1,567,832,502
3.10 Tax to Total Assets (1)/(2) (in %)	**0.94%**	**0.65%**	**1.07%**
Income tax expense (1)	14,913,169	10,487,185	16,789,565
Total assets (2)	1,584,502,500	1,605,505,747	1,567,832,502
3.11 Interest margin to Gross Income ((1-2)/(3)) (in %)	**118.21%**	**131.42%**	**100.31%**
Interest income (1)	223,364,610	218,418,423	216,814,098
Interest expense (2)	72,380,750	85,275,607	86,184,048
Gross income (3)	127,727,621	101,311,975	130,219,980

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3.12 Non-Interest Income to Gross Income (1)/(2) (in %)	**3.59%**	**4.07%**	**4.15%**
Non-interest income (1)	4,579,412	4,127,478	5,407,036
Gross income (2)	127,727,621	101,311,975	130,219,980
3.13 Non-Interest Expense to Gross Income (1)/(2) (in %)	**0.13%**	**0.16%**	**0.16%**
Non-interest expenses (1)	167,918	157,582	202,441
Gross income (2)	127,727,621	101,311,975	130,219,980
3.14 Time interest earned ((1+2)/(3)) (in %)	**62.76%**	**62.16%**	**77.80%**
Income before tax (1)	67,805,938	50,488,137	82,503,922
Interest expense (2)	72,380,750	85,275,607	86,184,048
Interest income (3)	223,364,610	218,418,423	216,814,098
4. Liquidity Ratios			
4.1 Liquid Asset to Total Assets (1)/(2) (in %)	**41.57%**	**44.84%**	**46.04%**
Liquid assets (1)	658,728,120	719,979,285	721,788,457
Total assets (2)	1,584,502,500	1,605,505,747	1,567,832,502
4.2 Short-term liabilities to total assets (1)/(2) (in %)	**17.09%**	**25.16%**	**11.53%**
Short-term liabilities (less than one year) (1)	270,806,948	403,984,159	180,706,997
Total assets (2)	1,584,502,500	1,605,505,747	1,567,832,502
4.3 Net Liquid Asset (1 - 2)/(3) (in %)	**33.73%**	**25.97%**	**46.66%**
Liquid assets (1)	658,728,120	719,979,285	721,788,457
Short-term liabilities (less than one year) (2)	270,806,948	403,984,159	180,706,997
Total liabilities (3)	1,149,938,185	1,216,932,731	1,211,637,044
4.4 Quick Ratio (1)/(2) (in %)	**168.31%**	**84.71%**	**141.02%**
Quick assets (1)	433,914,125	354,438,157	371,640,475
Current liabilities (2)	257,799,690	418,400,478	263,544,627
4.5 Deposits to Loans (1)/(2) (in %)	**69.23%**	**69.48%**	**68.71%**
Total customer' deposits (1)	950,578,150	917,663,043	856,530,863
Total gross loans to non-bank customers (2)	1,373,095,015	1,320,835,911	1,246,507,114

3- Capitalization and Indebtedness

a- Capitalization

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

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

The table below summarizes the Company's regulatory capital:

	31-December-2025		31-December-2024		31-December-2023	
Tier 1 Capital	**KHR'000**	**US$**	**KHR'000**	**US$**	**KHR'000**	**US$**
Share capital	424,377,400	103,969,218	424,377,400	103,969,218	424,377,400	103,969,218
Retained earnings	434,109,371	105,678,284	241,909,097	60,101,639	268,719,630	65,782,039
Audited Net profit for the Last Financial Year	212,152,890	52,866,407	162,843,872	40,458,105	270,086,002	66,116,524
General Reserves	380,415,116	93,768,951	380,415,116	93,768,951	380,415,116	93,768,951
Other Reserves	119,724,093	29,717,584	-	-	-	-
Less: Loan to related parties	(2,443,168)	(608,813)	(2,895,100)	(719,280)	(4,369,644)	(1,069,680)
Less: Investment outside the scope of regulatory consolidation	(4,073,195)	(1,015,000)	-	-	-	-
Less: Intangible Asset	(8,581,220)	(2,138,355)	(11,814,205)	(2,935,206)	(7,818,095)	(1,913,854)
Total Tier 1	**1,555,681,287**	**382,238,276**	**1,194,836,180**	**294,643,427**	**1,331,410,409**	**326,653,198**
Tier 2 complementary Capital	**KHR'000**	**US$**	**KHR'000**	**US$**	**KHR'000**	**US$**
Subordinated debt	67,819,700	16,900,000	177,100,000	44,000,000	251,227,500	61,500,000
General Provision	54,341,238	13,541,300	51,830,482	12,877,138	56,675,000	13,873,929
Provision for accrued interest (*)	-	-	20,130,814	5,001,444	-	-
Total Tier 2	**122,160,938**	**30,441,300**	**249,061,296**	**61,878,582**	**307,902,500**	**75,373,929**
Total Regulatory Capital	**1,677,842,225**	**412,679,576**	**1,443,897,476**	**356,522,009**	**1,639,312,909**	**402,027,127**

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

NBC issued Prakas No. b7-016-117, dated 22 March 2016, on "new minimum registered capital requirement for banks and financial institutions." It requires that Microfinance Deposit-taking Institutions (MDIs) must have a minimum registered capital of at least KHR 120 billion (equivalent to US$ 30 million). The Prakas allows MDIs to increase its capital to meet the new minimum registered capital requirement within two years from the date of the Prakas.

On 16 June 2016, the NBC issued an instruction on the implementation of Prakas No. b7-016-117, instructing financial institutions including MDIs to have a registered capital of at least 50% of the minimum required amount by the end of March 2017 and of at least 100% of the minimum required amount by the end of March 2018. To comply with this Prakas, LOLC increased its

registered capital to KHR 71,184,100,000 at the end of June 2017, and KHR 120,000,000,000 at the end of May 2018, KHR 224,377,400,000 at early 2021, and KHR 424,377,400,000 at early 2023.

The Company's policy is to maintain a sufficient capital base so as to comply with regulatory requirements, maintain market confidence and sustain further development of the business.

The Company and its individually regulated operations have complied with all externally imposed capital requirement throughout the year.

The Bank's objectives when managing capital are:

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

The National Bank of Cambodia requires all commercial banks to:

- hold a minimum capital,
- maintain the Bank's net worth at least equal to minimum capital, and
- comply with solvency ratio, liquidity coverage ratio, and other prudential ratios.

According to the NBC's Prakas No. B7-00-46 on Banks' Solvency Ratio, banks are required to maintain a solvency ratio of at least 15% at all times. The numerator in the ratio is the bank's net worth calculated in accordance with the provisions of the Prakas on the Calculation of Banks' Net worth, while the denominator is the bank's risk weighted assets calculated by following the provision of the Prakas on the solvency ratio itself. LOLC's solvency ratio stood at 24.27% in 2024 and 24.22% in 2025, well above the regulatory threshold of 15%.

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b- Indebtedness

The following table sets forth LOLC's indebtedness as of 31 December 2023, 2024, and 2025. The figures are extracted from the audited financial statements for the years ended 31 December 2023, 2024, and 2025.

	31-December-2025		31-December-2024		31-December-2023	
	KHR'000	USD	KHR'000	USD	KHR'000	USD
Current Borrowings	293,725,649	73,193,533	495,942,606	123,215,555	426,603,927	104,431,806
Non-Current Borrowings	67,842,849	16,905,768	96,536,310	23,984,176	457,492,173	111,993,188
Subordinated debt	68,736,671	17,128,500	178,978,277	44,466,653	253,753,175	62,118,280
Total	**430,305,169**	**107,227,801**	**771,457,193**	**191,666,384**	**1,137,849,275**	**278,543,274**

The borrowing represents short-term and long-term loans from various lenders. The annual interest rates for 2024 range from 5.38% to 8.20% (2023: 5.25% to 8.20%). The annual interest rates are ranging from 5.38% to 8.20% in 2025 (2024: 5.38% to 8.20%).

In 2024, the Company repaid subordinated debts to various financial institutions amounting to KHR71,111,400 thousand (2023: KHR54,382,800 thousand). The annual interest rates for all subordinated debts are ranging from 7.50% to 10.47% (2023: 7.50% to 10.47%).

In 2025, the Company repaid subordinated debts to various financial institutions amounting to KHR108,631,800 thousand (2024: KHR71,111,400 thousand). The annual interest rates for all subordinated debts are ranging from 7.50% to 10.17% (2024: 7.50% to 10.47%).

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SECTION 8: MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of LOLC's financial position and results of operations should be read in conjunction with the audited financial statements for the years ended 31 December 2023, 2024, and 2025 as set out in Appendix 3 and 4 of the Disclosure Document. These financial statements have been prepared in accordance with Cambodian International Financial Reporting Standard ("CIFRS") and the guidelines of NBC.

The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. LOLC's actual results may differ significantly from those projected in the forward-looking statements including, but are not limited to, those discussed below and elsewhere in this Disclosure Document, particularly the section entitled "Section 3: Information about Risk Factors."

1- Overview of Operations

LOLC is one of the leading MDI in Cambodia which is under the supervision of NBC. LOLC is a rapidly growing institution with a focus on serving entrepreneurs and families at the base of the socio-economic pyramid with economic opportunities to transform the quality of their lives.

As at the end of 2024, LOLC is the 2nd largest MDI in Cambodia in terms of total assets and GLP. Due to its commitment to serve clients responsibly and its focus on customer service, innovative products, fair and transparent pricing, LOLC has become a trusted provider of financial services for Cambodians.

a- Revenue Analysis

The main source of LOLC's revenue is interest income earned on its loan portfolio. Besides interest income, the Company also earns other income including fees and commissions on loans, penalty income, recovery from loans written-off, gains on disposal of property and equipment, and others.

Revenue Breakdown

	2025		2024		2023	
	KHR'000	USD	KHR'000	USD	KHR'000	USD
Interest income	895,915,452	223,364,610	889,181,399	218,418,423	891,105,944	216,814,098
Fee and Commission Income	18,368,020	4,579,412	16,802,961	4,127,478	22,222,917	5,407,036
Other Operating Income	13,153,974	3,279,475	8,816,472	2,165,677	5,671,028	1,379,812
Total revenues	**927,437,446**	**231,223,497**	**914,800,832**	**224,711,578**	**918,999,889**	**223,600,946**

Portfolio Yield

	2025		2024		2023	
	KHR'000	USD	KHR'000	USD	KHR'000	USD
Interest income (1)	895,915,452	223,364,610	889,181,399	218,418,423	891,105,944	216,814,098
Gross loans (2)	5,510,230,297	1,373,095,015	5,316,364,542	1,320,835,911	5,091,981,563	1,246,507,114
Average gross loans (3)	5,413,297,420	1,346,965,463	5,204,173,053	1,283,671,513	5,125,337,094	1,249,764,685
Portfolio yield (1)/(3)	**16.55%**	**16.58%**	**17.09%**	**17.02%**	**17.39%**	**17.35%**

In 2023, total revenue recorded a slight increase of 3.17%, before declining to KHR 913,088,133,000 (USD 224,290,871) in 2024. This was driven by modest loan growth of just 1.5% in 2024, as the industry adopted a cautious lending approach, coupled with a 0.30%pt drop in portfolio yield from 17.39% in 2023 to 17.09% in 2024.

In 2025, the interest income remained stable at KHR 895 billion, supported by steady loan growth, with average gross loans increasing from KHR 5,125 billion in 2024 to KHR 5,204 billion, reflecting a ~4% expansion over the period. Despite this growth, portfolio yield fell from 17.09% in 2024 to 16.55% in 2025, indicating slight pressure on lending rates and increased market competition.

Breakdown of Non-Interest Income

	2025		2024		2023	
	KHR'000	USD	KHR'000	USD	KHR'000	USD
Fees and commission on loans	18,368,020	4,579,412	16,802,961	4,127,478	22,222,917	5,407,036
Other Operating Income	13,153,974	3,279,475	8,816,472	2,165,677	5,671,028	1,379,812
Total	**31,521,994**	**7,858,887**	**25,619,433**	**6,293,155**	**27,893,945**	**6,786,848**

LOLC's revenue structure consists of interest income and non-interest income. The majority of non-interest income comes from loan-related fees and commissions, particularly those charged on loan applications, which accounted for almost 60% of non-interest income, reaching KHR 18,368,020,000 (USD 4,579,412) in 2025. This category saw a decline of 24.4% in 2024 and 18.4% in 2023, mainly due to slower loan disbursements, which led to lower income from loan application fees. Non-interest income rebounded in 2025, increasing by 24.88%, mainly driven by other operating income, which rose by more than USD 1.0 million.

b- Net Interest Margin Analysis

	2025		2024		2023	
	KHR'000	USD	KHR'000	USD	KHR'000	USD
Interest income (1)	895,915,452	223,364,610	889,181,399	218,418,423	891,105,944	216,814,098
Interest expense (2)	(290,319,190)	(72,380,750)	(347,156,997)	(85,275,607)	(354,216,437)	(86,184,048)
Net interest income (3) = (1) + (2)	**605,596,262**	**150,983,860**	**542,024,402**	**133,142,816**	**536,889,507**	**130,630,050**
Balances with Central Bank (4)	42,437,740	10,575,066	44,758,757	11,120,189	47,214,260	11,557,959
Balances with other banks (5)	468,227,000	116,677,548	562,221,750	139,682,423	678,540,101	166,105,288
Loans to customers (6)	5,510,230,297	1,373,095,015	5,316,364,542	1,320,835,911	5,091,981,563	1,246,507,114
Investment securities (7)	3,324,861	828,523	3,339,960	829,804	-	-
Interest bearing asset (8) = (4) + (5) + (6) + (7)	**6,024,219,898**	**1,501,176,152**	**5,926,685,009**	**1,472,468,327**	**5,817,735,924**	**1,424,170,361**
Net interest margin (9) = (3) / (8)		**10.05%**		**9.15%**		**9.23%**

Interest income increased slightly by 0.22%, from KHR 891,105,944,000 (USD 216,814,098) in 2023 to KHR 889,181,399,000 (USD 218,418,423) in 2024, despite a slight drop in loan portfolio yield. Meanwhile, interest expense fell by 1.99% to KHR 347,156,997,000 (USD 85,275,607), despite an increase in deposit balances, as deposit rates decreased. As a result, net interest income increased 0.96%. Nevertheless, with the rise in interest-bearing assets by 1.87%, the net interest margin slightly narrowed by 0.08%pt, from 9.23% in 2023 to 9.15% in 2024.

In 2025, net interest income surged 11.73%, primarily driven by a 16.37% reduction in interest expense due to lower deposit rates. This, combined with only a 1.65% increase in interest-bearing assets—where loan growth offset the decline in balances with other banks—led to an improvement in NIM by 0.90%pt to 10.05% in 2025.

c- Operating Expense Analysis

Personnel Expenses	2024		2023		Changes		Changes	
	KHR'000	USD	KHR'000	USD	KHR'000	%	USD	%
Salaries and wages	130,411,763	32,034,331	136,762,870	33,275,637	(6,351,107)	-4.64%	(1,241,306)	-3.73%
Other benefits	19,069,591	4,684,253	11,708,809	2,848,859	7,360,782	62.87%	1,835,394	64.43%
Total	**149,481,354**	**36,718,584**	**148,471,679**	**36,124,496**	**1,009,675**	**0.68%**	**594,088**	**1.64%**

Personnel expenses were KHR 148,471,679,000 (USD 36,124,496) in 2023 and KHR 149,481,354,000 (USD 36,718,584) in 2024, representing a slight increase of KHR 1,009,675,000 (USD 594,088) or 1.64%. The increase was mainly due to:

- Other benefits jumping by 62.87% or KHR 7,360,782,000 (USD 1,835,394); and
- Salaries and wages decreasing by 4.64%, but the impact is relatively small compared to other benefits.

Personnel Expenses	2025		2024		Changes		Changes	
	KHR'000	USD	KHR'000	USD	KHR'000	%	USD	%
Salaries and wages	135,615,131	33,810,803	130,411,763	32,034,331	5,203,368	3.99%	1,776,472	5.55%
Other benefits	26,614,128	6,635,285	19,069,591	4,684,253	7,544,537	39.56%	1,951,032	41.65%
Total	**162,229,259**	**40,446,088**	**149,481,354**	**36,718,584**	**12,747,905**	**8.53%**	**3,727,504**	**10.15%**

Personnel expenses were KHR 149,481,354,000 (USD 36,718,584) in 2024 and KHR 162,229,259,000 (USD 40,446,088) in 2025, representing an increase of KHR 12,747,905,000 (USD 3,727,504) or 8.53%. The increase was mainly due to:

- Other benefits increasing by 39.56% or KHR 7,544,537,000 (USD 1,951,032); and
- Salaries and wages increasing by 3.99% or KHR 5,203,368,000 (USD 1,776,472).

Depreciation and Amortization Charges	2024		2023		Changes		Changes	
	KHR'000	USD	KHR'000	USD	KHR'000	%	USD	%
Depreciation of property and equipment	5,403,731	1,327,372	3,940,451	958,747	1,463,280	37.13%	368,625	38.45%
Depreciation of right-of-use assets	7,213,556	1,771,937	6,763,548	1,645,632	450,008	6.65%	126,305	7.68%
Amortization of intangible assets	2,106,459	517,430	3,497,167	850,893	(1,390,708)	-39.77%	(333,463)	-39.19%
Total	**14,723,746**	**3,616,739**	**14,201,166**	**3,455,272**	**522,580**	**3.68%**	**161,467**	**4.67%**

Depreciation and amortization charges were KHR 14,201,166,000 (USD 3,455,272) in 2023 and KHR 14,723,746,000 (USD 3,616,739) in 2024, representing an increase of KHR 522,580,000 (USD 161,467) or 4.67%. The increase was mainly due to:

- Depreciation of property and equipment rising 37.13%, mainly reflecting higher capital expenditure or additional assets placed into service;
- Depreciation of right-of-use assets increasing by 6.65%, with relatively small impact; and
- Amortization of intangible assets decreasing by 39.77%, due to work in progress intangible assets that have not been amortized, which offset the effect of rising in depreciation of property and equipment.

Depreciation and Amortization Charges	2025		2024		Changes		Changes	
	KHR'000	USD	KHR'000	USD	KHR'000	%	USD	%
Depreciation of property and equipment	5,426,707	1,352,956	5,403,731	1,327,372	22,976	0.43%	25,584	1.93%
Depreciation of right-of-use assets	7,509,097	1,872,126	7,213,556	1,771,937	295,541	4.10%	100,189	5.65%
Amortization of intangible assets	1,779,429	443,637	2,106,459	517,430	(327,030)	-15.53%	(73,793)	-14.26%
Total	**14,715,233**	**3,668,719**	**14,723,746**	**3,616,739**	**(8,513)**	**-0.06%**	**51,980**	**1.44%**

Depreciation and amortization charges were KHR 14,723,746,000 (USD 3,616,739) in 2024 and KHR 14,715,233,000 (USD 3,668,719) in 2025, representing a slight decrease of KHR 8,513,000 or 0.06%. The decrease was mainly due to:

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- Depreciation of property and equipment rising slightly by 0.43% with relatively small impact; and
- Amortization of intangible assets decreasing by 15.53%, due to work in progress intangible assets that have not been amortized, which offset the effect of rising in depreciation of right-of-use assets.

Other Operating Expenses	2024		2023		Changes		Changes	
	KHR'000	USD	KHR'000	USD	KHR'000	%	USD	%
Professional fees	13,585,138	3,337,052	9,106,674	2,215,736	4,478,464	49.18%	1,121,316	50.61%
Rental expense related to short-term lease and lease of low-value assets	9,869,372	2,424,311	9,214,371	2,241,939	655,001	7.11%	182,372	8.13%
Travelling expenses	6,447,231	1,583,697	6,272,390	1,526,129	174,841	2.79%	57,568	3.77%
Insurance	5,312,976	1,305,079	5,430,874	1,321,381	(117,898)	-2.17%	(16,302)	-1.23%
Advertising	2,122,245	521,308	3,262,060	793,689	(1,139,815)	-34.94%	(272,381)	-34.32%
Communication	3,019,336	741,669	2,905,441	706,920	113,895	3.92%	34,749	4.92%
Office supplies and stationery	2,584,267	634,799	2,596,317	631,707	(12,050)	-0.46%	3,092	0.49%
Utilities	2,405,466	590,878	2,185,648	531,788	219,818	10.06%	59,090	11.11%
Security guard	1,491,876	366,464	1,476,697	359,294	15,179	1.03%	7,170	2.00%
Board of directors' expenses	754,401	185,311	789,825	192,172	(35,424)	-4.49%	(6,861)	-3.57%
Repairs and maintenance	536,737	131,844	704,144	171,325	(167,407)	-23.77%	(39,481)	-23.04%
Charitable contributions	437,141	107,379	106,250	25,852	330,891	311.43%	81,527	315.36%
Others	10,294,009	2,528,621	10,780,351	2,622,954	(486,342)	-4.51%	(94,333)	-3.60%
Total	**58,860,195**	**14,458,412**	**54,831,042**	**13,340,886**	**4,029,153**	**7.35%**	**1,117,526**	**8.38%**

Other operating expenses were KHR 54,831,042,000 (USD 13,340,886) in 2023 and KHR 58,860,195,000 (USD 14,458,412) in 2024, representing an increase of KHR 4,029,153,000 (USD 1,117,526) or 8.38%. The increase was mainly due to:

- Professional fees rising significantly by KHR 4,478,464 (USD 1,121,316) or 50.61%, making it the largest contributor to the overall increase in operating expenses;
- Advertising expenses dropping sharply by KHR 1,139,815,000 (USD 272,381) or -34.32% YoY, reflecting a reduction in marketing activities;
- Charitable contributions surging by KHR 330,891,000 (USD 81,527) or 315.36%, driven by higher CSR initiatives.

Other Operating Expenses	2025		2024		Changes		Changes	
	KHR'000	USD	KHR'000	USD	KHR'000	%	USD	%
Professional fees	13,238,095	3,300,448	13,585,138	3,337,052	(347,043)	-2.55%	(36,604)	-1.10%
Rental expense related to short-term lease and lease of low-value assets	10,446,622	2,604,493	9,869,372	2,424,311	577,250	5.85%	180,182	7.43%
Travelling expenses	4,649,004	1,159,064	6,447,231	1,583,697	(1,798,227)	-27.89%	(424,633)	-26.81%
Insurance	5,091,813	1,269,462	5,312,976	1,305,079	(221,163)	-4.16%	(35,617)	-2.73%

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Advertising	1,719,338	428,656	2,122,245	521,308	(402,907)	-18.98%	(92,652)	-17.77%
Communication	3,154,775	786,531	3,019,336	741,669	135,439	4.49%	44,862	6.05%
Office supplies and stationery	2,578,356	642,821	2,584,267	634,799	(5,911)	-0.23%	8,022	1.26%
Utilities	2,230,735	556,154	2,405,466	590,878	(174,731)	-7.26%	(34,724)	-5.88%
Security guard	1,349,191	336,373	1,491,876	366,464	(142,685)	-9.56%	(30,091)	-8.21%
Board of directors' expenses	754,845	188,194	754,401	185,311	444	0.06%	2,883	1.56%
Repairs and maintenance	492,333	122,746	536,737	131,844	(44,404)	-8.27%	(9,098)	-6.90%
Charitable contributions	179,427	44,734	437,141	107,379	(257,714)	-58.95%	(62,645)	-58.34%
Fees and penalties waived off	25,141,985	6,268,259	0	0	25,141,985	-	6,268,259	-
Others	10,069,368	2,510,436	10,294,009	2,528,621	(224,641)	-2.18%	(18,185)	-0.72%
Total	**81,095,887**	**20,218,371**	**58,860,195**	**14,458,412**	**22,235,692**	**37.78%**	**5,759,959**	**39.84%**

Other operating expenses were KHR 58,860,195,000 (USD 14,458,412) in 2024 and KHR 81,095,887,000 (USD 20,218,371) in 2025, representing an increase of KHR 22,235,692,000 (USD 5,759,959) or 37.78%. The increase was mainly due to:

- Fees and penalties waived off surged by KHR 25,141,985,000 (USD 6,268,259), primarily driven by the establishment of a new Business Revival Department, which focuses on the recovery of NPL. As part of this recovery strategy, fees and penalty charges were waived by LOLC to support customers facing financial difficulties. Consequently, these waived amounts are recognized as an expense.

d- Profit Before Tax Analysis

Profit before tax is derived from the subtraction of Fee and Commission Expenses, Personal Expenses, Depreciation and Amortization Expenses, Other Operating Expenses, Credit impairment (losses)/reversals, Net losses on derecognition of financial assets, and other (losses)/gains-net from the sum of Net interest income and Other Income. The following analysis on expenses only discusses the changes in Personal Expenses, Depreciation and Amortization Expenses, Other Operating Expenses, Credit impairment (losses)/reversals, and Net losses on derecognition of financial assets.

	2024		2023		Changes		Changes	
	KHR'000	USD	KHR'000	USD	KHR'000	%	USD	%
Net Interest Income	**542,024,402**	**133,142,816**	**536,889,507**	**130,630,050**	**5,134,895**	**0.96%**	**2,512,766**	**1.92%**
Other Income	25,619,433	6,293,155	27,893,945	6,786,848	(2,274,512)	-8.15%	(493,693)	-7.27%
Fee and commission expenses	(641,516)	(157,582)	(832,034)	(202,441)	190,518	-22.90%	44,859	-22.16%
Personnel Expenses	(149,481,354)	(36,718,584)	(148,471,679)	(36,124,496)	(1,009,675)	0.68%	(594,088)	1.64%
Depreciation and Amortization Expenses	(14,723,746)	(3,616,739)	(14,201,166)	(3,455,272)	(522,580)	3.68%	(161,467)	4.67%
Other operating expenses	(58,860,195)	(14,458,412)	(54,831,042)	(13,340,886)	(4,029,153)	7.35%	(1,117,526)	8.38%
Operating profit	**343,937,024**	**84,484,654**	**346,447,531**	**84,293,803**	**(2,510,507)**	**-0.72%**	**190,851**	**0.23%**
Credit impairment (losses)/reversals	(110,687,157)	(27,189,181)	19,600,358	4,768,944	(130,287,515)	-664.72%	(31,958,125)	-670.13%
Net losses on derecognition of financial assets	(25,999,966)	(6,386,629)	(29,849,686)	(7,262,697)	3,849,720	-12.90%	876,068	-12.06%
Other (losses)/gains-net	(1,712,699)	(420,707)	2,892,912	703,872	(4,605,611)	-159.20%	(1,124,579)	-159.77%
Profit before income tax	**205,537,202**	**50,488,137**	**339,091,115**	**82,503,922**	**(133,553,913)**	**-39.39%**	**(32,015,785)**	**-38.81%**

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LOLC earned profit before tax of KHR 339,091,115,000 (USD 82,503,922) in 2023 and KHR 205,537,202,000 (USD 50,488,137) in 2024, representing a decrease of KHR 133,553,913,000 (USD 32,015,785) or 39.39%. The decrease was mainly due to:

- Credit Impairment Losses skyrocketing from a reversal of KHR 19,600,358,000 (USD 4,768,944) in 2023 to a loss of KHR 110,687,157,000 (USD 27,189,181) in 2024, due to a significant increase in non-performing loans, and the largest contributor to the overall profit decline;
- Net Losses on Derecognition of Financial Assets improving by 12.9%, with relatively small impact compared to credit losses;
- Personnel expenses rising marginally (+0.68%), as no. of staff rose by 3.18% from 3,590 in 2023 to 3,704 in 2024;
- Depreciation and amortization increasing by 3.68% to KHR 14,723,746,000 (USD 3,616,739); and
- Other operating expenses increasing by 7.35% reaching KHR 58,860,195,000 (USD 14,458,412) due to increase in professional fees (+50.6% YoY), rental expense (+8.1% YoY), and travelling expense (+38% YoY).

	2025		2024		Changes		Changes	
	KHR'000	USD	KHR'000	USD	KHR'000	%	USD	%
Net Interest Income	**605,596,262**	**150,983,860**	**542,024,402**	**133,142,816**	**63,571,860**	**11.73%**	**17,841,044**	**13.40%**
Other Income	31,521,994	7,858,887	25,619,433	6,293,155	5,902,561	23.04%	1,565,732	24.88%
Fee and commission expenses	(673,518)	(167,918)	(641,516)	(157,582)	(32,002)	4.99%	(10,336)	6.56%
Personnel Expenses	(162,229,259)	(40,446,088)	(149,481,354)	(36,718,584)	(12,747,905)	8.53%	(3,727,504)	10.15%
Depreciation and Amortization Expenses	(14,715,233)	(3,668,719)	(14,723,746)	(3,616,739)	8,513	-0.06%	(51,980)	1.44%
Other operating expenses	(81,095,887)	(20,218,371)	(58,860,195)	(14,458,412)	(22,235,692)	37.78%	(5,759,959)	39.84%
Operating profit	**378,404,359**	**94,341,651**	**343,937,024**	**84,484,654**	**34,467,335**	**10.02%**	**9,856,997**	**11.67%**
Credit impairment (losses)/reversals	(115,257,081)	(28,735,248)	(110,687,157)	(27,189,181)	(4,569,924)	4.13%	(1,546,067)	5.69%
Net losses on derecognition of financial assets	2,919,807	727,950	(25,999,966)	(6,386,629)	28,919,773	N/A	7,114,579	N/A
Other (losses)/gains-net	5,902,526	1,471,585	(1,712,699)	(420,707)	7,615,225	N/A	1,892,292	N/A
Profit before income tax	**271,969,611**	**67,805,938**	**205,537,202**	**50,488,137**	**66,432,409**	**32.32%**	**17,317,801**	**34.30%**

LOLC earned profit before tax of KHR 271,969,611,000 (USD 67,805,938) in 2025 and KHR 205,537,202,000 (USD 50,488,137) in 2024, representing an increase by KHR 66,432,409,000 (USD 17,317,801) or 32.32%. The increase was mainly due to:

- Net Interest Income increasing by KHR 63,571,860,000 (USD 17,841,044), the biggest contributor to profit increase;
- Other Income increasing by KHR 5,902,561,000 (USD 1,565,732), a 23.04% growth; and
- Net Losses on Derecognition of Financial Assets seeing a reversal by KHR7,615,225,000 (USD 7,114,579) as it went from a loss in 2024 to a gain in 2025.

e- Profit After Tax Analysis

LOLC is under the regime of the Laws on Commercial Enterprises in regard to taxation. Therefore, it has an obligation to pay annual profit tax at the rate of 20%. The 20% tax is calculated by applying the 20% tax rate on the taxable profit.

	2024		2023		Changes		Changes	
	KHR'000	USD	KHR'000	USD	KHR'000	%	USD	%
Profit before tax (a)	205,537,202	50,488,137	339,091,115	82,503,922	(133,553,913)	-39.39%	(32,015,785)	-38.81%
Income tax expense (b)	(42,693,330)	(10,487,185)	(69,005,113)	(16,789,565)	26,311,783	-38.13%	6,302,380	-37.54%
Profit after tax	**162,843,872**	**40,000,952**	**270,086,002**	**65,714,357**	**(107,242,130)**	**-39.71%**	**(25,713,405)**	**-39.13%**
Effective tax rate (b)/(a)	20.77%	20.77%	20.35%	20.35%				

LOLC earned profit after tax of KHR 162,843,872,000 (USD 40,000,952) in 2024 and KHR 270,086,002,000 (USD 65,714,357) in 2023, representing a decrease of KHR 107,242,130,000 (USD 25,713,405) or 39.71%. The effective tax rate stands at 20.77% and 20.35% respectively in 2024 and 2023.

	2025		2024		Changes		Changes	
	KHR'000	USD	KHR'000	USD	KHR'000	%	USD	%
Profit before tax (a)	271,969,611	67,805,938	205,537,202	50,488,137	66,432,409	32.32%	17,317,801	34.30%
Income tax expense (b)	(59,816,721)	(14,913,169)	(42,693,330)	(10,487,185)	(17,123,391)	40.11%	(4,425,984)	42.20%
Profit after tax	**212,152,890**	**52,892,769**	**162,843,872**	**40,000,952**	**49,309,018**	**30.28%**	**12,891,817**	**32.23%**
Effective tax rate (b)/(a)	21.99%	21.99%	20.77%	20.77%				

LOLC earned profit after tax of and KHR 212,152,890,000 (USD 52,892,769) in 2025 and KHR 162,843,872,000 (USD 40,000,952) in 2024, representing an increase of KHR 49,309,018,000 (USD 12,891,817) or 30.28%. The effective tax rate stands at 21.99% and 20.77% respectively in 2025 and 2024.

f- Total Asset Analysis

	2024		2023		Changes	
	KHR'000	USD	KHR'000	USD	USD	%
Assets						
Cash on hand	108,021,390	26,837,612	124,372,008	30,446,024	(3,608,412)	-11.85%
Deposits and placements with the National Bank of Cambodia	221,714,379	55,084,318	134,192,224	32,849,994	22,234,324	67.68%
Deposits and placements with banks	556,774,147	138,328,981	672,287,486	164,574,660	(26,245,679)	-15.95%
Investment securities at amortised cost	3,339,960	829,804	-	-	829,804	N/A

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Financial assets at fair value through other comprehensive income	60,375	15,000	61,275	15,000	0	0.00%
Loans and advances at amortised cost	5,135,970,992	1,276,017,638	5,003,139,376	1,224,758,721	51,258,917	4.19%
Statutory deposits with the National Bank of Cambodia	339,868,390	84,439,352	371,611,761	90,969,831	(6,530,479)	-7.18%
Property and equipment	9,624,545	2,391,192	12,145,516	2,973,198	(582,006)	-19.58%
Right-of-use assets	30,640,659	7,612,586	28,661,010	7,016,159	596,427	8.50%
Intangible Assets	11,814,205	2,935,206	7,818,094	1,913,854	1,021,352	53.37%
Deferred Tax Assets-Net	23,543,707	5,849,368	29,627,908	7,252,854	(1,403,486)	-19.35%
Other Assets	20,787,876	5,164,690	20,679,113	5,062,207	102,483	2.02%
Total Assets	**6,462,160,625**	**1,605,505,747**	**6,404,595,771**	**1,567,832,502**	**37,673,245**	**2.40%**

Total assets increased modestly by 2.40% in 2024 to KHR 6,462,160,625,000 (USD 1,605,505,747) mainly due to:

- Loan growth remaining the primary driver of asset expansion, increasing by USD 51,258,917 (+4.19% YoY);
- Deposits and placements with NBC rising by USD 22,234,324 (+67.68% YoY), but offset by a drop statutory deposits by USD 6,530,479 (-7.18% YoY) as a result of a decrease in reserve requirement (reserve requirement rate of 9% for foreign currencies deposits and 12.5% for foreign currencies borrowings were implemented from 1 September 2023 until 23 November 2023, from when NBC allowed financial institutions to maintain at the rate of 7% until 31 December 2025); and
- Deposit and placements with other banks which decreased by USD 26,245,679 (-15.95% YoY).

	2025		2024		Changes	
	KHR'000	USD	KHR'000	USD	USD	%
Assets						
Cash on hand	92,180,590	22,970,493	108,021,390	26,837,612	(3,867,119)	-14.41%
Deposits and placements with the National Bank of Cambodia	139,948,084	34,873,682	221,714,379	55,084,318	(20,210,636)	-36.69%
Deposits and placements with banks	463,605,580	115,525,936	556,774,147	138,328,981	(22,803,045)	-16.48%
Investment securities at amortised cost	3,324,861	828,523	3,339,960	829,804	(1,281)	-0.15%
Investment in Associate	4,013,000	1,000,000	0	0	1,000,000	N/A
Financial assets at fair value through other comprehensive income	60,195	15,000	60,375	15,000	0	0.00%
Loans and advances at amortised cost	5,242,505,943	1,306,380,748	5,135,970,992	1,276,017,638	30,363,110	2.38%
Statutory deposits with the National Bank of Cambodia	340,478,606	84,843,909	339,868,390	84,439,352	404,557	0.48%
Property and equipment	9,353,353	2,330,763	9,624,545	2,391,192	(60,429)	-2.53%
Right-of-use assets	29,560,613	7,366,213	30,640,659	7,612,586	(246,373)	-3.24%
Intangible Assets	10,549,759	2,628,896	11,814,205	2,935,206	(306,310)	-10.44%
Deferred Tax Assets-Net	0	0	23,543,707	5,849,368	(5,849,368)	-100.00%
Other Assets	23,027,947	5,738,337	20,787,876	5,164,690	573,647	11.11%
Total Assets	**6,358,608,531**	**1,584,502,500**	**6,462,160,625**	**1,605,505,747**	**(21,003,247)**	**-1.31%**

Total assets decreased in 2025 by 1.31% to KHR 6,358,608,531,000 (USD 1,584,502,500) mainly due to:

- Loan growth remaining the primary driver of asset expansion, increasing by USD 30,363,110 (+2.38% YoY);
- Deposits and placements with NBC declining by USD 20,210,636 (-36.69% YoY); and
- Deposit and placements with other banks falling by USD 22,803,045 (-16.48% YoY).

The decrease in total assets in 2025 was the first time since its establishment, reflecting modest growth strategy amidst industry-wide rise in non-performing loans as well as the unexpected war of invasion of Cambodia by Thailand which displaced more than half million of population living along the border and forced the return of more than 750,000 migration workers.

g- Total Liabilities Analysis

	2024		2023		Changes	
	KHR'000	USD	KHR'000	USD	USD	%
Deposits From Banks and Other Financial Institutions	336,956,689	83,715,948	193,575,862	47,386,992	36,328,956	76.66%
Deposits From Customers	3,693,593,747	917,663,043	3,498,928,575	856,530,863	61,132,180	7.14%
Borrowings	592,478,916	147,199,731	884,096,100	216,424,994	(69,225,263)	-31.99%
Lease Liabilities	28,859,765	7,170,128	27,481,666	6,727,458	442,670	6.58%
Current Income Tax Liabilities	28,116,358	6,985,431	50,339,592	12,323,034	(5,337,603)	-43.31%
Employee Benefits	1,826,652	453,827	2,099,290	513,902	(60,075)	-11.69%
Other Liabilities	37,343,832	9,277,970	39,263,064	9,611,521	(333,551)	-3.47%
Subordinated Debts	178,978,277	44,466,653	253,753,175	62,118,280	(17,651,627)	-28.42%
Total Liabilities	**4,898,154,236**	**1,216,932,731**	**4,949,537,324**	**1,211,637,044**	**5,295,687**	**0.44%**

Total liabilities as of 2024 reached KHR 4,898,154,236,000 (USD 1,216,932,731), a slight 0.44% increase due to:

- Deposits from banks and other financial institutions and deposits from customers increasing by USD 36,328,956 (+76.66% YoY) and USD 61,132,180 (+7.14%), respectively;
- Borrowing and subordinated debt decreasing by USD 69,225,263 (-31.99% YoY) and USD 17,651,627 (-28.42% YoY) respectively, which offset the rise in deposits.

	2025		2024		Changes	
	KHR'000	USD	KHR'000	USD	USD	%
Deposits From Banks and Other Financial Institutions	269,871,824	67,249,395	336,956,689	83,715,948	(16,466,553)	-19.67%
Deposits From Customers	3,814,670,116	950,578,150	3,693,593,747	917,663,043	32,915,107	3.59%
Borrowings	361,568,498	90,099,301	592,478,916	147,199,731	(57,100,430)	-38.79%
Lease Liabilities	27,762,781	6,918,211	28,859,765	7,170,128	(251,917)	-3.51%
Current Income Tax Liabilities	26,519,092	6,608,296	28,116,358	6,985,431	(377,135)	-5.40%
Deferred Tax Liabilities-Net	549,917	137,034	-	-	137,034	N/A
Employee Benefits	1,566,852	390,444	1,826,652	453,827	(63,383)	-13.97%
Other Liabilities	43,456,183	10,828,854	37,343,832	9,277,970	1,550,884	16.72%
Subordinated Debts	68,736,671	17,128,500	178,978,277	44,466,653	(27,338,153)	-61.48%
Total Liabilities	**4,614,701,934**	**1,149,938,185**	**4,898,154,236**	**1,216,932,731**	**(66,994,546)**	**-5.51%**

Total liabilities as of 2025 reached KHR 4,614,701,934,000 (USD 1,149,938,185), a 5.51% decline due to:

- Deposits from banks and other financial institutions falling by USD 16,466,553 (-19.67% YoY);
- Borrowing and subordinated debt decreasing USD 57,100,430 (-38.79% YoY) and USD 27,338,153 (-61.48% YoY) respectively, which offset the rise in customer deposits.

h- Total Equity Analysis

	2024		2023		Changes	
	KHR'000	USD	KHR'000	USD	USD	%
Share Capital	424,377,400	103,969,218	424,377,400	103,969,218	0	0.00%
Retained Earnings	578,409,737	141,614,157	623,203,250	153,048,830	(11,434,673)	-7.47%
General Reserves	380,415,116	93,768,951	380,415,116	93,768,951	0	0.00%
Regulatory Reserves	49,192,708	12,139,107	21,938,040	5,367,761	6,771,346	126.15%
Other Reserves	131,611,428	32,679,791	5,124,641	1,254,502	31,425,289	2,505.00%
Currency Translation Reserves	-	4,401,792	-	1,213,804	(5,615,596)	-462.64%
Total Equity	**1,564,006,389**	**388,573,016**	**1,455,058,447**	**356,195,458**	**32,377,558**	**9.09%**

Total equity as of 2024 reached KHR 1,564,006,389,000 (USD 388,573,016), a 9.09% increase due to:

- Increase in other reserves by USD 31,425,289 (+2,505.00% YoY) and increase in regulatory reserves by USD 6,771,346 (+126.15% YoY);
- However, the drop in retained earnings of USD 11,434,673 (-7.47% YoY) offset the growth in reserves.

	2025		2024		Changes	
	KHR'000	USD	KHR'000	USD	USD	%
Share Capital	424,377,400	103,969,218	424,377,400	103,969,218	0	0.00%
Retained Earnings	646,262,261	158,544,691	578,409,737	141,614,157	16,930,534	11.96%
General Reserves	380,415,116	93,768,951	380,415,116	93,768,951	0	0.00%
Regulatory Reserves	173,127,727	43,022,491	49,192,708	12,139,107	30,883,384	254.41%
Other Reserves	119,724,093	29,717,584	131,611,428	32,679,791	(2,962,207)	-9.06%
Currency Translation Reserves	-	5,541,380	-	4,401,792	1,139,588	25.89%
Total Equity	**1,743,906,597**	**434,564,315**	**1,564,006,389**	**388,573,016**	**45,991,299**	**11.84%**

Total equity as of 2025 reached KHR 1,743,906,597,000 (USD 434,564,315), a 11.84% YoY growth due to:

- Increase in regulatory reserves by USD 30,883,384 (+254.41% YoY);
- Increase in retained earnings by USD 16,939,081 (+11.96% YoY)

2- Significant Factors Affecting Profits

a- Factors and Trends Analysis Affecting Financial Conditions and Results

Competition from Banks and Other MDIs/MFIs

LOLC faces competition from other MDIs/ MFIs and commercial or specialized banks that offer similar micro-loan products. The Company faces competition from MDIs and commercial banks for deposit products, and competition from financial leasing companies and specialized banks for financial leases. The recent trend whereby sizeable global and regional banks enter into the market through either acquisition of existing banks/ microfinance institutions or establishing its own entity could also pose a significant threat to LOLC, as that may heighten the market competition to another level. However, amidst intensifying competition, LOLC has strategically continued to maintain its focus on micro-loans in rural areas and on customer segments with less competition.

Provision for Loan Loss and NPL Ratio

The sharp rise in LOLC's credit cost ratio—from 0.6% in 2021 to 2.3% in 2024—combined with a surge in the NPL ratio from 1.78% to 7.41% over the same period, has significantly eroded its profitability. As the credit cost ratio reflects the proportion of earnings allocated to loan loss provisions relative to average earning assets, this increase indicates that a much larger share of income is now being set aside to cover potential defaults. This trend aligns with the overall deterioration in asset quality across the banking sector, driven by macroeconomic pressures and weakened borrower capacity post-pandemic. In 2025, these challenges were compounded by a geopolitical crisis: an unexpected military incursion by Thailand. The resulting border closures, trade disruptions, and mass displacement of Cambodian civilians—many of whom remain unable to return to their homes due to the ongoing Thai military's illegal occupation—have severely hampered borrower repayment capacity. Higher provisions directly reduce pre-tax profit, while elevated NPLs also signal a weakening of credit quality and higher risk-weighted assets, which may affect capital adequacy. On the brighter side, as of December 2025, its Tier 1 capital ratio reached 22.2%, more than double the regulatory requirement of 11%. Meanwhile, capital adequacy ratio (CAR) reached 24.2%, above the regulatory requirement of 15%. This strong capital position underscores its status as one of the most well-capitalized financial institutions in the market, ensuring a robust buffer against potential losses. LOLC's capital ratio is so high that even if under a very conservative scenario (deducting all loss due to PAR90), it's Tier 1 ratio and CAR will still be 21.8%, respectively, based on the capital and PAR90 loans as of December 2025. This suggests that despite the recent increase in PAR90 ratio, LOLC's solid capital base demonstrates its robust loss absorption capacity.

Slow Credit Growth in the Domestic Banking Sector but is Mitigate Through LOLC's Niche Lending Strategy

LOLC's business is susceptible to slow credit growth in the domestic banking sector. Between 2015 and 2019, Cambodia's banking sector experienced rapid growth, with credit expanding by 19% annually and deposits nearly tripling. While this reflected improved financial inclusion, the IMF warned of potential financial instability. In response, NBC implemented stricter liquidity and capital requirements. These prudential measures, combined with rising NPLs from the pandemic and global slowdown, led to a more cautious lending environment. Credit growth fell to 14.9% in 2023 and further to 3.1% in 2024—the lowest in a decade. Meanwhile, deposit growth remained

modest, leading to excess liquidity and a narrowing gap between credit-to-GDP and deposit-to-GDP ratios.

For LOLC (Cambodia) Plc., as one of the largest MDIs in the country, the impact of slowing credit growth has been somewhat mitigated by its scale, diversified operations, and operational efficiency. In addition, LOLC's focus on lending to rural areas and its niche product offerings provide a degree of insulation, as these segments remain relatively underserved and are less directly impacted by broader slowdowns in credit demand. As industry credit growth dropped below 10% in 2023 and 2024, LOLC also experienced a deceleration in loan disbursements and its core interest income growth, and as a result an increase in cost-to-income ratio. As industry credit growth dropped below 10% in 2023 and 2024, LOLC also experienced a deceleration in loan disbursements and its core interest income growth, and as a result an increase in cost-to-income ratio. Additionally, the rise in non-performing loans across the sector has led to increased provisioning, which weighed on net profits. Despite these pressures, LOLC's size, operational efficiency, and diversified customer base have helped it maintain a more resilient profitability profile than its smaller peers, even in a challenging macro-financial environment.

b- Regulatory Changes

New Calculation on Capital Adequacy Ratios for Deposit-Taking Banks and Financial Institutions

The NBC issued Prakas No. B7-024-745 Pro.kor dated 31 December 2024 on "Capital Adequacy Ratios on Deposit-Taking Banks and Financial Institutions", Prakas No. B7-024-471 Pro.kor dated 16 August 2024 on "Operational Risk for Capital Adequacy Ratios in Deposit-Taking Banks and Financial Institutions", Prakas No. B7-024-299 Pro.kor dated 12 April 2024 on "Market Risk for Capital Adequacy Ratios in Deposit-Taking Banks and Financial Institutions", Prakas No. B7-023-337 Pro.kor dated 23 June 2023 on "Regulatory Capital in Deposit-Taking Banks and Financial Institutions", and Prakas No. B7-023-338 Pro.kor dated 23 June 2023 on "Credit Risk for Capital Adequacy Ratios in Deposit-Taking Banks and Financial Institutions".

The above-mentioned Prakas introduce and lay down the structure, components, and methodology for calculating regulatory capital, and incorporate new components—market risk and operational risk—into the calculation of risk-weighted assets. LOLC has already implemented the calculation of its Capital Adequacy Ratio (CAR) based on these Prakas for the fiscal year ended 2024, and given LOLC's high level of CAR compared to the minimum requirement, its stable earnings and expected modest credit growth, any future change in the CAR requirements is unlikely to post significant challenge for the Company.

Early Supervisory Intervention for Deposit-Taking Banks and Financial Institutions

By January 1, 2026, all deposit-taking banks and financial institutions must comply with Prakas B37.025.377 Pro.kor on "Early Supervisory Intervention for Deposit-Taking Banks and Financial Institutions" dated 17 July 2025. The purpose of this Prakas is to establish a framework for the implementation of early supervisory intervention for these institutions. They shall be classified into four categories based on a set of Early Warning Indicators (EWIs) and will be subject to supervisory measures for any identified deficiencies.

Categories	CAR Components	Minimum CAR	Categorization Based on CAR Components (X)	Supervisory Responses in Case of Breaching EWIs
Category 1	CET 1 Capital Ratio	8%	X >= 11%	Not subject
	Tier 1 Capital Ratio	11%	X >= 15%	
	Total Capital Ratio	15%	X >= 20%	

Category 2	CET 1 Capital Ratio	8%	8% <= X < 11%	Require institutions to explain weaknesses, submit recovery plans, conduct stress tests, increase provisions, limit risky lending, and provide regular progress reports.
	Tier 1 Capital Ratio	11%	11% <= X < 15%	
	Total Capital Ratio	15%	15% <= X < 20%	
Category 3	CET 1 Capital Ratio	8%	5% <= X < 8%	Requiring capital injections, limiting or suspending deposit-taking, capping interest rates to market levels, banning dividends and bonuses, restricting subordinated debt repayments, freezing new business activities without prior approval limiting business activities, restricting dividends and interest rates, and requiring capital increases to stabilize troubled financial institutions and ensure regulatory compliance.
	Tier 1 Capital Ratio	11%	7% <= X < 11%	
	Total Capital Ratio	15%	10% <= X < 15%	
Category 4	CET 1 Capital Ratio	8%	X < 5%	Prohibiting selling of some assets, restructuring (e.g divesting subsidiaries, winding up, ...), prohibit credit and deposit acceptance, downgrade license, revoke license and liquidate the institution.
	Tier 1 Capital Ratio	11%	X < 7%	
	Total Capital Ratio	15%	X < 10%	

LOLC is unlikely to be significantly affected by the implementation of this Prakas in the medium term, as its Tier 1 Capital Ratio and Total Capital Ratio were 22.24% and 24.22%, respectively, at the end of 2025, placing it in Category 1, which is not subject to any supervisory response.

c- Tax on Income

LOLC has an obligation to pay tax at 20% of taxable profit, by preparing tax on a monthly basis based on 1% of monthly turnover. This prepayment tax of 1% turnover will be settled with the payment of 20% profit tax at the end of each fiscal year. The total tax on profit for the year will be the higher of the 20% tax on taxable profit and the 1% prepaid tax.

3- Analysis on Any Exceptional and Extraordinary Items

At the date of filing of the Disclosure Documents, the management believes that LOLC does not have any exceptional and extraordinary items.

4- Material Changes in Interest Income

At the date of filing of the Disclosure Documents, there is not any material changes in interest income.

5- Change in Accounting Policy for the Last Two Years

At the date of filing of the Disclosure Documents, there was no change in accounting policy which could materially affect our financial position or business operations.

6- Dividend Policy

According to Article 19 of the Company's article of incorporation, the dividend policy was as follows:

- After approving the accounting and seeing that there is sufficient amount of money to be distributed, the dividends shall be distributed and paid.
- The distribution procedures shall be determined by the congress of all shareholders or otherwise by the BOD of the Company.
- The declaration of dividends shall specify the date of account books and payment of such dividends shall be made within 30 days after the declaration.
- Only the shareholders whose names are listed on the record date shall have the rights to receive dividends.

Financial institutions in Cambodia are required to obtain prior approval from National Bank of Cambodia before proceeding with any form of distribution, including dividends or profit transfers. This regulatory requirement ensures that such distributions do not adversely affect the institution's capital adequacy, liquidity position, or overall financial stability, in line with prudential standards set by the central bank.

7- Impact of Exchange Rate and Interest Rate

a- Impact of Exchange Rate

As of 31 December 2025, if the KHR had weakened/strengthened by 2% against US$ with all other variables held constant, the recalculated net profit for the year would have been KHR 1,407,576,000 (USD 350,754) higher and KHR 1,465,027,000 (USD 365,070) lower, as a result of foreign exchange gains/losses on translation of its USD denominated financial instruments.

As of 31 December 2025, if the KHR had weakened/strengthened by 7% against THB with all other variables held constant, the recalculated net profit for the year would have been KHR 3,185,624,000 (USD 791,459) higher and KHR 3,315,650,000 (USD 823,764) lower, as a result of foreign exchange gains/ losses on translation of its THB denominated financial instruments.

b- Impact of Interest Rate

Interest rate risk refers to the volatility in net interest income as a result of changes in the levels of interest rate and shifts in the composition of the assets and liabilities. The exposure to interest rate risk relates primarily to its loans, deposits and borrowings.

The Company's borrowing could consists of both fixed rates and variable rates, in which of the Company's also have its own internal limit to maintain at least 70% of its borrowing at fixed rate. As of 31 December 2025, there is no variable interest rate borrowing.

c- Impact of Inflation

Inflation is the rate at which the general level of prices for goods and services is rising and the purchasing power of currency is falling. Inflation has an impact on some of the business operations. An increase in the rate of inflation could adversely affect the cost of Personnel, and Other Operating Expenses. However, the management believes that the impact from inflation will not have material effects on the financial position and operation of the Company.

8- Government/Economic/Fiscal/Monetary Policy

Government Policy

The Cambodian government is very supportive in the promotion of the banking and microfinance sectors. The government policy relevant to the sectors can be found in its Financial Sector Development Plan 2025-2030 and National Financial Inclusion Strategy 2019-2025, which focused on the development of a sound, market-oriented financial sector that will mobilize and allocate resources to support sustainable economic growth and promote financial inclusiveness. According to the document, the government places importance on microfinance, regarding it as the sector that would help promote financial inclusion; that is, to provide the poor with affordable financial services to increase income and reduce poverty. Over the coming decade, the government aims to further develop the sector into one that will provide other financial services in addition to loans and deposits to a greater number of low-income people.

Economic Policy

Cambodia has been a free-market economy since 1995, which allows the private sector the rights of self-determination on productivity, investment, and expenditure, with the government acting as a regulatory body that sets and enforces laws and regulations and ensures transparent and fair market competition. In addition, the country focuses on establishing friendly borders with its neighbours by continuing to open more international border gates to increase the flows of labour and goods with Thailand and Vietnam. The Kingdom also integrates itself into regional (ASEAN) and global (WTO) trading systems, allowing it to benefit from preferential tariff systems granted by major developed countries. Furthermore, Cambodia is very open to foreign investment by permitting full openness to foreign equity ownership for most of primary sectors, imposing no restriction on repatriation of profits, and introducing a number of investment incentives such as tax holiday and investment guarantee for certain investment projects, particularly Qualified Investment Project (QIP).

With regards to the banking and microfinance sectors, Cambodia's economic policy encourages foreign direct investment in the sectors by allowing 100% of foreign equity ownership. As a result, we observe that major microfinance institutions especially MDIs and commercial banks are owned in majority by foreigners.

Fiscal Policy

According to NBC, the country's fiscal deficit narrowed to 2.5% of GDP in 2024, down from 3.3% in 2023. Although tax revenue grew by 2.3%, total government revenue declined by 3.5% to KHR 24.8 trillion (USD 6.2 billion). This decline was largely driven by a sharp 84.6% fall in grants and foreign aid, which now make up just 1.1% of total revenue, reflecting Cambodia's transition away from Least Developed Country (LDC) status.

On the expenditure side, the government spent KHR 29.5 trillion (USD 7.3 billion), representing a 6.3% decrease compared to the previous year. Current spending fell by 9.3%, while capital expenditure saw a modest increase of 1.2%, reaching KHR 9.1 trillion (USD 2.3 billion).

Cambodia's external public debt rose by 5.2% to USD 11.8 billion in 2024, though public debt-to-GDP ratio declined to 25.4%, indicating a more stable debt profile. These borrowings are primarily directed toward infrastructure and other priority public investment projects. Multilateral institutions now account for the largest portion of Cambodia's external debt at 37.8%, while China remains the largest bilateral lender, holding 34.4% of total external debt, followed by Japan (10.6%) and South Korea (5.7%).

Looking ahead, the IMF, in its report Volume 2025: Issue 317 published in December 2025, projects the fiscal deficit to widen to 3.7% of GDP in 2025 and 3.8% in 2026, driven by reduced auditing, extensive tax exemptions (transfer tax on certain real estate, pre-payment of income for textile and garment industry, tax incentives for the agriculture sector)—many of which are likely to be extended beyond 2025—and increased social assistance for households displaced by the Thai invasion and illegal occupation of Cambodian villages. Tax revenue as share of GDP is expected to improve modestly by 2030, resulting from the authorities' efforts to improve tax compliance. The government aims to prioritize spending to minimize borrowing due to limited fiscal buffers. Public debt is projected to increase moderately from 26.8% in 2025 to 27.9% in 2030, and the overall risk of debt distress remains low.

LOLC (CAMBODIA) Plc.
KINGDOM OF CAMBODIA

Monetary Policy

Monetary policy in Cambodia has been curtailed by the high degree of dollarization. To improve the effectiveness of monetary policy, the NBC has been promoting the use of the local currency with the development of instruments and operation of liquidity provision in riel, the requirement for banking and financial institutions has riel-denominated loans of at least 10% of their total loan portfolio, reserve requirement, and other policy measures that reduce the transaction costs and payments in riel. The Liquidity Providing Collateralized Operation (LPCO) has been introduced to supply riel at low interest rate to local banking and financial institutions.

9- Liquidity and Capital Resources

a- Working Capital

The concept of working capital does not apply to financial institutions like LOLC since it does not have typical current assets and liabilities such as inventories and accounts payable. Also, it is very hard to determine current liabilities for a banking institution, because it typically relies on deposits as source for their capital, and it is not certain when a customer will demand his/ her deposit back.

b- Source of Funding

Source of funding are breakdown as follows:

	31-December-2025		31-December-2024		31-December-2023	
	KHR'000	USD	KHR'000	USD	KHR'000	USD
Deposits from banks and other financial institutions	269,871,824	67,249,395	336,956,689	83,715,948	193,575,862	47,386,992
Deposits from customers	3,814,670,116	950,578,150	3,693,593,747	917,663,043	3,498,928,575	856,530,863
Current Borrowings	293,725,649	73,193,533	495,942,606	123,215,555	426,603,927	104,431,806
Non-Current Borrowings	67,842,849	16,905,768	96,536,310	23,984,176	457,492,173	111,993,188
Subordinated debt	68,736,671	17,128,500	178,978,277	44,466,653	253,753,175	62,118,280
Total	**4,514,847,109**	**1,125,055,346**	**4,802,007,629**	**1,193,045,375**	**4,830,353,712**	**1,182,461,129**

c- Breach of Terms and Conditions of Covenants Associated with Credit Arrangement, Bank Loan

As of 31 December 2025, the Company is not in compliance with financial covenants of eleven lenders, of which the actual performance ratio exceeded the limit as follows:

	Limit	Actual	KHR'000	USD
Senior Lender				
PAR(*) 90 days plus restructured loan excludes Covid 19 minus loan loss reserve divide by net worth	<= 25%	Exceeded limit	17,866,532	4,452,164
PAR(*) 30 days plus economic recovery restructured loan divide by gross loan portfolio	<= 6.5%	Exceeded limit	12,289,356	3,062,388
PAR(*) 30 days plus restructured loan excludes Covid 19 divide by gross loan portfolio	<= 13%	Exceeded limit	4,001,360	997,099

PAR(*) 30 days plus economic recovery restructured loan divide by gross loan portfolio	<= 23%	Exceeded limit		
PAR(*) 30 days plus restructure loan exclude Covid 19 less loan loss reserves divided by gross loan portfolio	<= 7%	Exceeded limit	19,014,548	4,738,238
PAR(*) 30 days plus restructured loan excludes Covid 19 less loan loss reserve divided by total equity	<= 15%	Exceeded limit		
PAR(*) 30 days plus economic recovery restructured loan plus net-charged-offs last 12 months divided by gross loan portfolio	<= 7%	Exceeded limit	14,211,370	3,541,333
PAR(*) 90 days plus restructured loan divided by loan loss reserve	>=100%	Not met		
(Substandard loan + doubtful loan + loss) divided by gross loan portfolio	<= 6%	Exceeded limit	83,704,534	20,858,344
PAR(*) 30 days plus net-charged-offs last 12 months divide by gross loan portfolio	<= 12%	Exceeded limit	24,602,969	6,130,817
PAR(*) 30 days plus restructured loan exclude Covid 19 divided by gross loan portfolio	<= 5%	Exceeded limit	10,016,457	2,496,002
PAR(*) 90 days plus economic recovery restructured loan plus net-charged-offs last 12 months divided by gross loan portfolio	<= 12%	Exceeded limit	14,011,996	3,491,651
Loan loss reserve divided by PAR(*) 90 days plus economic recovery restructured loan	>= 100%	Not met		
(Substandard loan + doubtful loan + loss) divided by gross loan portfolio	<= 5%	Exceeded limit	6,140,547	1,530,164
Open credit exposure	<= 30%	Exceeded limit	7,914,985	1,972,336

(*) Portfolio at risk

The breach of specific asset quality ratios stems from a broad, industry-wide increase in Non-Performing Loans (NPLs). Financial covenants established several years ago utilized thresholds based on a then-average NPL ratio of approximately 2%, which no longer reflects current market conditions.

As of 31 January 2026, the number of non-compliant lending facilities has been reduced to eleven, representing an aggregate outstanding balance of USD 33,566,667. LOLC has secured written waivers from two lenders (USD 3,000,000). While written waivers for the remaining nine lenders (USD 30,566,667) are pending. However, it was observed that those lenders always take no action, waive the past breaches, or revised new limits to support LOLC during the challenging situation of the customers.

Notably, of the USD 30,566,667 lacking written waivers, USD 21,966,667 is scheduled to mature within 2026. In a worst-case scenario where all non-waived borrowings are called immediately, LOLC maintains a robust liquidity position. With USD 115,525,936 in deposits and placements as of 31 December 2025, the company has more than sufficient coverage to meet these obligations. However, any lender action prior to the natural maturity of these borrowings is not expected.

d- Types of Financial Instruments Used

The table below sets forth the types of financial instruments used by LOLC as on 31 December 2025:

	31-December-2025	31-December-2024
	KHR'000	KHR'000
Financial assets		
Cash on hand	92,180,590	108,021,390
Deposits and placements with the National Bank of Cambodia	139,948,084	221,714,379
Deposits and placements with banks	463,605,580	556,774,147
Investment securities at amortized cost	3,324,861	3,339,960
Investment in associate	4,013,000	-
Financial assets at fair value through other comprehensive income	60,195	60,375
Loans and advances at amortized cost	5,242,505,943	5,135,970,992
Statutory deposits with the National Bank of Cambodia	340,478,606	339,868,390
Total	**6,286,116,859**	**6,462,160,625**
Financial liabilities		
Deposits from banks and other financial institutions	269,871,824	336,956,689
Deposits from customers	3,814,670,116	3,693,593,747
Borrowings	361,568,498	592,478,916
Subordinated debts	68,736,671	178,978,277
Total	**4,514,847,109**	**4,898,154,236**
Net asset/(liability) position	**1,771,269,750**	**1,564,006,389**

e- Treasury Policies and Objectives

Treasury Management Policy is a key in determining the firm's financial strategy and financial policy, advising on what businesses to invest in, organizing the appropriate funding for this, and controlling the risk in the institution.

Dependent on the risk environment, treasury will create an appropriate capital structure of debt and equity in order to fund the business, getting the optimum balance between cost and risk. This translates into the need to ensure that at all times the company has the liquidity and cash to meet its obligations as they fall due, taking in funding from equity or debt capital markets activities, bank borrowings, through to day-to-day cash management and investment.

Treasury is responsible for the identification of risks associated with business activities and for controlling risks that could erode financial strength, using mitigation and hedging techniques and encouraging a culture of sound financial practice.

In essence Treasury management is all about handling the banking requirements, the funding for the business and managing financial risk. It therefore incorporates raising and managing money, currency, and interest rate risk management.

Treasury management is established to ensure that:

- resources are available to meet obligations at a reasonable cost
- ensure the availability of cash to meet deposit withdrawal
- cash and bank maintaining management
- receives an adequate return on its surplus funds
- maintain minimum internal reserve requirements and other regulatory standards
- overall cost of debt is minimized
- avoid additional cost of emergency borrowing and forced liquidation of assets
- exposure to financial risk is minimized
- comply with all regulatory requirements and funder covenants

10- Material Commitments

On the filing date of this Disclosure Document, LOLC has no material commitments for capital expenditures.

11- Material Litigation and Contingent Liabilities

a- Material Litigation

On the filing date of this Disclosure Document, the management is not aware of any material litigation involving LOLC that may adversely affect its business operation, financial position and financial performance.

b- Contingent Liabilities

On the filing date of this Disclosure Document, the management is not aware of any material contingent liabilities that may arise for LOLC and may adversely affect its business operation, financial position and financial performance.

12- Material Contracts

a- Material Financing Agreements

The following table shows information on material financing agreements worth the minimum of $5,000,0000 (five million). As at 31 December 2025, LOLC (Cambodia) has 21 material financing agreements as set out below:

No	Name of Lender	Type of Loan	Start Date	Amount	Gross Interest Rate	Tenor	Purpose
1	OIKOCREDIT, Ecumenical Development Cooperative Society U.A.	Subordinated loan (for Tier 2 capital)	23 March 2021	USD 5,000,000	8.7209% p.a - 10.174% p.a	7 years	Working capital and expanding loan portfolio
2	Microfinance Initiative for Asia (MIFA) Debt Fund SA, SICAV-SIV	Subordinated Loan	07 June 2021	USD 5,000,000		5 years	
3	JAPAN ASEAN Women Empowerment Fund SA, SICAV-SIF	Subordinated Loan	28 March 2022	USD 5,000,000		72 months	
4	BlueOrchard Microfinance Fund	Subordinated Loan	28 March 2022	USD 5,000,000		72 months	
5	EMF MICROFINANCE FUND AGMVKEMF	Subordinated Loan (conversion of existing loan into subordinated debt)	25 September 2020	USD 5,000,000		6 years	
6	WaterCredit Investment Fund 3, LP	Subordinated Term Loan	12 March 2021	Up to USD 5,000,000		60 months	
7	NMI Fund IV KS	Subordinated Loan	13 June 2022	USD 7,000,000		6 years	
8	INCOFIN CVSO	Senior loan	24 March 2022	USD 11,000,000	4.00% p.a – 8.00% p.a	48 months	
9	BlueOrchard Microfinance Fund	Senior loan	07 April 2022	USD 7,000,000		4 years	
10	EMF MICROFINANCE FUND AGMVK	Senior Loan	27 January 2022	USD 10,000,000		4 years	
11	Branch of INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED	Term Loan Facility	20 February 2025	USD 10,000,000		3 years	
12	Branch of INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED	Term Loan Facility	23 April 2025	KHR 20,000,000,000		3 years	

13	Petterlaar Effectenbewaarbedrijf N.V.	Senior Loan	23 June 2023	Up to USD 7,000,000		36 months	
14	SOCIÉTÉ DE PROMOTION ET DE PARTICIPATION POUR LA COOPÉRATION ÉCONOMIQUE S.A. (PROPARCO)	USD Credit Facility / Term Loan	24 November 2021	USD 20,000,000		5 years	
15	Mega International Commercial Bank Co., Ltd., Phnom Penh Branch	Unsecured Medium-Term Loan	29 July 2022	USD 5,000,000; KHR 20,000,000,000;		5 years	
16	Union Commercial Bank Plc.	Term Loan 1 (Existing) Term Loan 2 (Additional)	29 September 2022	Term Loan 1: KHR 20,000,000,000 Term Loan 2: KHR 20,500,000,000		Term Loan 1: 1 year Term Loan 2: 60 months	
17	BRED Bank (Cambodia) Plc.	Term Loan Facility	15 May 2024	KHR 40,000,000,000		42 months	
18	Cathay United Bank (Cambodia) Corporation Limited	Term Loan Facility	07 June 2022	Term Loan 1: USD 7,000,000 Term Loan 2: KHR 12,150,000,000		48 months	
19	Bank of China (Hong Kong) Limited Phnom Penh Branch	Term Loan	21 March 2024	KHR 40,000,000,000		36 months	
20	Bank of China (Hong Kong) Limited Phnom Penh Branch	Term Loan	17 September 2025	KHR 80,000,000,000		36 months	
21	ALPHA COMMERCIAL BANK PLC	Short Term Revolving Loan (STRL)	24 December 2025	STRL1: USD 7,000,000; STRL2: KHR 4,000,000,000		The facility has a master period of 36 months. Each credit line has a tenor of 12 months	

b- Material Commercial Agreements

The following table shows information on top five highest value commercial agreements as of 31 December 2025:

No	Agreement	Seller/Service Provider	Date	Contract Duration	Description
1	Sublicense Agreement between LOLC Technologies Limited and LOLC (Cambodia) PLC.	LOLC Technologies Limited	06 June 2025	1 Year	Sublicense the Oracle products
2	Sale and Purchase Agreement between ICE ELECTRONICS CO., LTD. and LOLC (Cambodia) PLC.	ICE ELECTRONICS CO., LTD.	21 August 2025	1 Year (as warranty period)	Supply of laptops
3	Sale and Purchase Agreement between FIRST CAMBODIA CO., LTD and LOLC (Cambodia) PLC.	FIRST CAMBODIA CO., LTD.	07 July 2025	5 Years	Supply of software, hardware, and subscription and support services
4	Renewal Subscription Agreement between FIRST CAMBODIA CO., LTD and LOLC (Cambodia) PLC.	FIRST CAMBODIA CO., LTD.	26 June 2025	2 Years (starting from 3rd year License expiration date under Agreement No. 3 above)	Renewal of subscription and support services
5	Agreement to Provide Microsoft 365 Solution between EZECOM CO., LTD. and LOLC (Cambodia) PLC.	EZECOM CO., LTD.	06 May 2025	1 Year	Supply of Microsoft 365 Solution

13- Pro-forma Financial Information

For details, please refer to section 4-3 Operational Plan and Financial Position – A. Projected Financial Statement.

14- Consolidated Financial Information

LOLC does not have any subsidiaries. Thus, it does not have consolidated financial statements.

15- Off-balance Sheet

The Company does not have any off-balance sheet items.

(The remaining part is intentionally left blank)

SECTION 9: INFORMATION ABOUT THE GUARANTOR

1- History and Establishment

Credit Guarantee Corporation of Cambodia (CGCC) is a state-owned enterprise established by the Sub-Decree No. 140 ANKR.BK dated 01 September 2020. CGCC is operated under the technical and financial guidance of the Ministry of Economy and Finance (MEF).

CGCC was incorporated on 03 November 2020 and has been receiving technical support from Asian Development Bank (ADB), World Bank, and UN Capital Development Fund (UNCDF). CGCC launched the first guarantee scheme on 29 March 2021.

CGCC's Bond Guarantee Framework was approved by the MEF on 17 May 2023. CGCC was accredited by the SERC as the bond guarantor on 22 August 2023. It is launched as the First Cambodian Bond Guarantor on 31 January 2024.

CGCC aims to provide guarantees on Khmer Riel denominated bonds listed on the CSX to support local companies raising funds and bond market development in Cambodia.

2- Shareholding Structure

According to the Sub-Decree No. 140 ANKR.BK, CGCC sources of capital including:

- KHR 810 billion (equivalent to US$200 million) in paid-in capital from the Royal Government of Cambodia
- Additional capital from the state budget, depending on the needs of the Royal Government of Cambodia
- Income generated from credit guarantee operations
- Capital contributions from development partners and/or the private sector
- Capital raised through borrowing, securities issuance, and other sources

CGCC Shareholding Structure as of 20 April 2026:

Shareholder	Total Capital Contribution (US$)	Shareholding (%)
Ministry of Economy and Finance	200,000,000	100.00

3- Governance Structure

CGCC is under the direct supervision and guidance of appointed Board of Directors (BoD).

The Board of Directors is comprised of seven (7) members, including: one (1) representative from the Ministry of Economy and Finance serving as Chairman; one (1) representative from the National Bank of Cambodia; one (1) representative from the Ministry of Industry, Science, Technology, and Innovation; one (1) representative from the Ministry of Economy and Finance; one (1) representative from the CGCC serving as CEO; one (1) representative from CGCC's employee; and one (1) representative from the independent private sector.

The Chairman and members of the Board of Directors from the public sector, except for the representative of CGCC's staff, are appointed for a three (3)-year term, which may be extended in accordance with the sub-decree and based on the recommendation of the Minister of Economy and Finance. The representative of CGCC's employees is elected through a vote by CGCC.

employees. The representative of CGCC's employees has not yet been nominated as of the date of this Disclosure Document.

The composition of the CGCC Board of Directors as of 20 April 2026 is as follows:

Board of Directors	Members Represented
H.E. Ros Seilava (Chairman)	Ministry of Economy and Finance
H.E. Dr. Mey Vann	Ministry of Economy and Finance
H.E. Yea Bunna	Ministry of Industry, Science, Technology, and Innovation
H.E. Kith Sovannarith	National Bank of Cambodia
Mr. No Lida (CEO)	CGCC
Mr. Sreng Samork	Independent private sector

The day-to-day management of CGCC is vested in one (1) CEO. The CEO is recommended by the Minister of Economy and Finance and approved by the Sub-decree. The CEO heads the management team.

The composition of the CGCC management team as of 20 April 2026 is as follows:

Name	Position
Mr. No Lida	CEO
Mr. Nhim Soriya	Director of Finance and Business Analytics Department
Mr. Mourng Sokbou	Director of IT Service Department
Mr. But Vanny	Director of Human Capital and Administration Department
Ms. Lim Chanthida	Director of Centralized Operations Department
Ms. Chun Sothany	Director of the Strategy and Business Development Department
Mr. Eng Tongngy	Director of Risk Management and Compliance Department
Mrs. Kim Sophay	Director of Internal Audit Department
Mrs. Saray Phomra	Director of Legal and Company Secretariat Department

4- Credit Strength

CGCC is rated by domestic credit rating agency.

Credit Rating Agency	Rating	Outlook	Monitoring Date Issued
Rating Agency of (Cambodia) Plc.	khAAA	Stable	25 September 2025

5- Guarantee Business and its Portfolio

CGCC's business consists of: (1) Loan guarantees, which cover business loans disbursed by its partner financial institutions to MSMEs and large firms (including individual guarantee schemes, portfolio guarantee schemes, and wholesale guarantee schemes); and (2) Bond guarantees, which cover corporate bonds issued by local companies to be listed on the CSX.

As of 31 March 2026, CGCC guarantee progress is:

- Total guaranteed account: 9,782
- Total guaranteed loan: USD 270.97mn

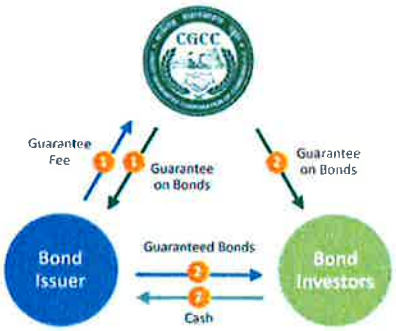
- Outstanding guaranteed loan: USD 560.30mn
- Outstanding guaranteed amount: USD 182.36mn

CGCC has yet to provide direct guarantee any corporate bond; however, it has entered into a counter-guarantee agreement with GuarantCo Ltd. The USD 10 million facility provided by CGCC supports GuarantCo Ltd's existing USD 70 million guarantee for CamGSM PLC ("Cellcard"), helping to manage its single obligor, sector, and geographic exposure limits.

6- Guarantee Structure

CGCC aims to provide guarantees on Khmer Riel denominated bonds listed on the CSX to support local companies raising funds and bond market development in Cambodia.

The guarantees issued by CGCC are irrevocable and unconditional commitments to pay bondholders upon non-payment by the issuer throughout the tenor of the bonds. This commitment is backed by CGCC's equity capital which has been fully paid-in by Royal Government of Cambodia. CGCC's general bond guarantee structure is illustrated below.



7- Selected Financial Information

A summary of the statement of financial position, income statement, and cash flows as of, and for each of the years ended 31 December 2023, 2024 and 2025 have been extracted from CGCC's financial statements for the years ended 31 December 2023, 2024, and 2025 and presented as follows:

Statement of Financial Position Summary

	As of 31 December		
	2023	2024	2025
			(in US$)
Assets			
Cash and cash equivalent	4,063,430	11,900,189	2,619,069
Investment in securities at amortized cost	1,958,384	1,987,576	7,965,281
Other receivables	10,327,698	10,669,262	11,270,456

Term deposits	215,534,364	224,684,651	241,047,851
Intangible assets	382,890	335,930	251,330
Property and equipment	473,674	350,681	375,820
Other assets	201,895	175,379	127,797
Total Assets	**232,942,335**	**250,103,668**	**263,657,604**
Equity and Liabilities			
Equity			
Share capital	200,000,000	200,000,000	200,000,000
Retained earnings	28,302,125	39,823,428	51,409,836
Total Equity	**228,302,125**	**239,823,428**	**251,409,836**
Liabilities			
Expected credit losses for guarantee schemes	2,950,234	7,119,876	8,042,705
Contract liabilities	657,522	770,062	990,713
Other payables	765,003	2,201,343	3,031,736
Other liabilities	267,451	188,959	182,614
Total Liabilities	**4,640,210**	**10,280,240**	**12,247,768**
Total Equity and Liabilities	**232,942,335**	**250,103,668**	**263,657,604**

Statement of Comprehensive Income Summary

	As of 31 December		
	2023	**2024**	**2025**
			(in US$)
Guarantee income	1,117,023	1,495,919	1,940,679
Investment income	15,124,834	15,955,812	15,426,867
Other income	30,800	65,865	208,537
Total Income	**16,272,657**	**17,517,596**	**17,576,083**
Total Operating Expenses	(2,550,979)	(2,965,395)	(3,200,642)
Profit before Provision for Guarantee Liabilities and Unrealized Currency Translation	**13,721,678**	**14,552,201**	**14,375,411**
Provision for guarantee liabilities	(3,021,180)	(6,412,086)	(3,330,580)
Net gain on unrealized currency translation	1,814,723	3,484,478	715,026
Profit before Income Tax	**12,515,221**	**11,624,593**	**11,759,887**
Income tax expense	(84,436)	(103,290)	(173,479)
Profit for the Year	**12,430,785**	**11,521,303**	**11,586,408**
Other comprehensive loss – Currency translation difference	-		
Total Comprehensive Income for the Year	**12,430,785**	**11,521,303**	**11,586,408**

Statement of Cash Flow Summary

	As of 31 December		
	2023	2024	2025
			(in US$)
Net cash flows from operating activities	(2,110,303)	(2,005,198)	(2,445,704)
Net cash flows from investing activities	598,582	9,919,524	(6,741,208)
Net cash flows from financing activities	(60,288)	(77,567)	(94,208)
Net cash movement	(1,572,009)	7,836,759	(9,281,120)
Cash at beginning of period	**5,635,439**	**4,063,430**	**11,900,189**
Cash at end of period	**4,063,430**	**11,900,189**	**2,619,069**

Audited Financial Statement for the Years ended 31 December 2023, 2024, and 2025

CGCC's financial statements are prepared and presented in accordance with Cambodia International Financial Reporting Standard and audited by Grant Thornton (Cambodia) Limited. The independent auditors' report accompanying CGCC's financial statements for the years ended 31 December 2023, 2024, and 2025 of CGCC are available at the following website page:

https://www.cgcc.com.kh/en/publications/

All of the information on the Guarantor under this section has been provided by CGCC. Information in respect of the Issuer contained in this Disclosure Document has not been verified by the Guarantor. None of the Guarantor, its management nor its employees take any responsibility, expressed or implied, for any information contained in this Disclosure Document, other than the information contained in this Section entitled "Information about the Guarantor". In addition, none of the foregoing parties has taken any steps to verify the accuracy of any of the information included in this Disclosure Document, other than the information contained in this Section entitled "Information about the Guarantor", and no representation or warranty, express or implied, is made by any such parties as to the accuracy or completeness of the information contained in this Disclosure Document.

(The remaining part is intentionally left blank)

SIGNATURE OF CHAIRMAN OF BOARD OF DIRECTORS, DIRECTORS, CEO AND CFO OF THE COMPANY

Mr. Brindley de Zylva Chairman of the Board of Directors	Signature	21.05.2026 Date
Mr. Dulip Rasika Samaraweera Director	Signature	21.05.2026 Date
Mr. Conrad Dias Director	Signature	21.05.2026 Date
Mr. Indrajith Wijesiriwardana Independent Director	Signature	21.05.2026 Date
Mr. Chitral Nalin Wijesinha Independent Director	Signature	21.05.2026 Date
Mr. Chandana Jayanath Kanwel Gamage Don Executive Director	Signature	21.05.2026 Date
Mr. Sok Voeun CEO	Signature	21.05.2026 Date
Mr. Sok Sophal Deputy CEO/CFO	Signature	21.05.2026 Date

LOLC (CAMBODIA) Plc.
KINGDOM OF CAMBODIA

APPENDIXES

1- Guaranteed Sustainability Bonds Terms and Conditions

2- Sustainability Bonds Terms and Conditions

3- The Audited Financial Statement 2024

4- The Audited Financial Statement 2025

5- Bondholders' Representative Agreement

6- Credit Rating Report of the Bond

7- Credit Rating Report of CGCC

8- Guarantee Agreement

9- Sustainability Bond Framework

10- Second Party Opinion of Sustainability Bond Framework

11- Code of Conduct

12- Subscription Form

Guaranteed Sustainability Bonds Terms and Conditions

Issuer	LOLC (Cambodia) Plc. ("**LOLC**")	
Securities Offered	LOLC Guaranteed Sustainability Bonds 1 ("**Guaranteed Bonds 1**")	LOLC Guaranteed Sustainability Bonds 2 ("**Guaranteed Bonds 2**")
Sustainability Quality Score	SQS3 (Good) –Second Party Opinion by Moody's Ratings 10 October 2025	
Currency Denomination	Denominated in Khmer Riel ("**KHR**")	
Settlement Currency	The Guaranteed Bonds 1 shall be settled in US Dollar ("**US$**"). For the purpose of settlement, the KHR/US$ exchange rate of 4,000 riel per US$ is adopted and fixed from the Subscription Date until the Termination of the Guaranteed Bonds	The Guaranteed Bonds 2 shall be settled in KHR
Term	5 (five) years, with principal amortized in 5 (five) equal installments payable in months 36, 42, 48, 54, and 60.	
Issue Amount	The sum of the issue amount of the Guaranteed Bonds shall not exceed KHR 80 billion, equivalent to US$20 million	
Number of Bonds Offered	Up to 800,000 bonds	
Face Value	KHR 100,000 per bond	
Issue Price	100 percent of Face Value	
Guarantor	Credit Guarantee Corporation of Cambodia ("**CGCC**")	
Guarantee	CGCC will irrevocably and unconditionally guarantee to the Bondholders represented by Bondholders' Representative the full payment of each Guaranteed Amount.	
Coupon Rate (p.a.)	5.75%	
Status of the Guaranteed Bonds	The Guaranteed Bonds constitute unsubordinated and unsecured obligations of LOLC. The payment obligations of the Issuer under the Guaranteed Bonds shall, subject to Clause 7.4 (Negative Pledge) and save for such exceptions as may be provided by applicable laws, rank pari passu and without any preference among themselves, and at least equally with all other unsecured and unsubordinated indebtedness of the Issuer, present and future, and rank ahead of all subordinated debt and the shareholder's equity of the Issuer.	
Subscription Date	10 August 2026 – 18 August 2026	
Issue Date	20 August 2026	
Maturity Date	20 August 2031	
Redemption Schedule	Redemption of the Guaranteed Bonds in accordance with Appendix A of the Conditions.	
Coupon Payment Date	Semi-annually on 20 February and 20 August each year of the bond life, including the Maturity Date.	
Coupon Payment	The Guaranteed Bonds will start to bear coupon from the Issue Date, with coupon payable on each Coupon Payment Date. Semi-annual coupon on the Guaranteed Bonds will be calculated by multiplying the outstanding principal of the Guaranteed Bonds at the beginning of each Coupon Period by one-half of the Coupon Rate, following the Actual/Actual ICMA day count convention.	

Coupon Calculation	Coupon in US$ = Outstanding principal in US$ × Coupon Rate ×1/2 Where outstanding principal in US$ is equal to outstanding principal in KHR of Guaranteed Bonds 1 divided by the pre-determined fixed exchange rate of 4,000 KHR/US$.	Coupon in KHR = Outstanding principal in KHR × Coupon Rate ×1/2
Day Count Fraction	Actual/Actual ICMA	
Guarantor Rating	khAAA by Rating Agency of (Cambodia) Plc. as of 25 September 2025	
Issuer Rating	khAAA by Rating Agency of (Cambodia) Plc.	
Use of Proceeds	20% of the net proceeds will be used for Eligible Green Projects, while the remaining 80% will be for Eligible Social Projects, in accordance with LOLC's Sustainability Bond Framework	
Events of Default	Please refer to Clause 12 of the Conditions.	
Clearing System	Cambodia Securities Exchange ("**CSX**")	
Underwriter / Lead Manager	Yuanta Securities (Cambodia) Plc.	
Bondholders Representative	Canadia Securities Co., Ltd.	
Registrar, Transfer Agent and Paying Agent	ACLEDA Bank Plc.	
Bondholders' Representative Agreement	The Bondholders' Representative Agreement will be entered into by the Issuer and the Bondholders' Representative. The Bondholders' Representative Agreement regulates the Bondholders' rights and obligations with respect to the Guaranteed Bonds, and it shall be based on the SERC regulation.	
Taxation	All payment by the Issuer in respect of the Guaranteed Bonds shall be made with deduction of any taxes or other duties, if such deduction is required by law. For avoidance of doubt, the Issuer is not subject to any tax gross-up, tax indemnity or similar obligations of any nature.	
Governing Law	These Conditions and the Guaranteed Bonds are governed by and construed in accordance with the laws of Cambodia.	
Listing	The Guaranteed Bonds are to be listed on the CSX.	
Bond Placement Method	Public Offering	
Listing/Start Trading Date	09 September 2026	
Documentation	The "Disclosure Document of LOLC" approved by the SERC	

TERMS AND CONDITIONS
IN RELATION TO
GUARANTEED SUSTAINABILITY BONDS

The following is the full text of the terms and conditions (the "**Conditions**") of the **KHR 80 billion** (eighty billion Khmer Riels) Guaranteed Bonds issued by LOLC (Cambodia) Plc. ("**LOLC**" or the "**Issuer**") in 2026 and due in 2031 (the "**Guaranteed Bonds**") under a resolution of the Board of Director of the Issuer adopted on 20 June 2025, with Canadia Securities Co., Ltd. as the Bondholders' Representative (as defined below) and Credit Guarantee Corporation of Cambodia (CGCC) as the guarantor (the "**Guarantor**"). The Guaranteed Bonds shall be issued and offered in reliance upon the SERC's Prakas no. 009/17 and the SERC's Prakas no. 016/17 (as defined below).

The Bondholders (as defined below) shall be entitled to the rights as prescribed in these Conditions and the Issuer and the Bondholders shall be bound by these Conditions in all respects.

In this regard, the Bondholders shall be deemed to have a thorough knowledge and understanding of the provisions of these Conditions and to have given their consent to the appointment of the Bondholders' Representative and to the terms and conditions of such appointment set out in the Bondholders' Representative Agreement (as defined below).

1. Definitions

The terms used in these Conditions shall have the following meanings:

"Adjusted Payment Date"	means the meaning in Clause 9.2 of the Conditions.
"Affiliate"	means, in relation to any person, (i) any entity controlled, directly or indirectly, by the person, (ii) any entity that controls, directly or indirectly, the person, or (iii) any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of a majority of the voting power of the entity or person.
"Bond Documents"	means (a) the Disclosure Document; (b) the Conditions; (c) the Bondholders' Representative Agreement; (d) the Registrar, Transfer and Paying Agent Agreement; (e) the Lead Manager Agreement; (f) any subscription form in respect of a Bond; and (g) any other supplemental agreement, prospectus or deed entered into between, amongst others, the Issuer and the Bondholders' Representative setting out the final terms of the Guaranteed Bonds.
"Bond Payment Account"	means bank account in the name of the Issuer at ACLEDA Bank Plc. for the purposes of making payments of Coupon and redemption amounts to the Bondholders in respect of the Guaranteed Bonds.
"Bondholder(s)"	means any person who owns the Guaranteed Bonds under Clause 4.2 of the Conditions.
"Bondholders' Book"	means the Bondholders' book of the Guaranteed Bonds, recording particulars of the Bondholders or other sources of registration information relating to the transfer, pledge, attachment, and other matters related to the Guaranteed Bonds as required under the Registrar, Transfer Agent and Paying Agent Agreement and the relevant rules and procedures prescribed pursuant to the applicable rule under Cambodian laws.
"Bondholders' Representative"	means Canadia Securities Co., Ltd. acting as Bondholders' Representative in respect of the Guaranteed Bonds, or any successor

	appointed as the Bondholders' Representative in respect of the Guaranteed Bonds from time to time in accordance with these Conditions and the Bondholders' Representative Agreement.
"Bondholders' Representative Agreement"	means the Bondholders' Representative Agreement dated 5 August 2026 entered into between the Issuer and the Bondholders' Representative and any subsequent amendment thereto, or the agreement appointing a new Bondholders' Representative to replace the existing Bondholders' Representative (if any) from time to time.
"Business Day"	means a day (other than a Saturday or Sunday) on which banks are open for general business in Phnom Penh.
"Calendar Day"	means a 24-hour day from midnight to midnight denoted on a calendar.
"Cambodia"	means the Kingdom of Cambodia.
"CIFRS"	means Cambodian International Financial Reporting Standards.
"Conditions"	means these terms and conditions setting out the rights and obligations of the Issuer and the Bondholders in respect of the Guaranteed Bonds, as may be supplemented, amended or modified in accordance with the terms specified herein.
"Coupon Payment Date"	means 20 February and 20 August of each year; the first Coupon Payment Date shall be 20 February 2027 and the last Coupon Payment Date shall be the Maturity Date.
"Coupon Period"	means the period from and including the Issue Date up to but excluding the first Coupon Payment Date, and thereafter the period from and including any Coupon Payment Date up to but excluding the next Coupon Payment Date or the Maturity Date.
"Coupon Rate"	means the coupon rate of the Guaranteed Bonds as set out in Clause 8.1.1
"CSX"	means the Cambodia Securities Exchange.
"Default Interest Rate"	means the Coupon Rate plus 2 (two) percent per annum.
"Due Date"	means, with respect to any payment under the Guaranteed Bonds, the relevant Coupon Payment Date or the Maturity Date (as applicable), as adjusted to the Adjusted Payment Date in accordance with Clause 9.2, including any applicable grace period provided under Clause 9.2.
"Event of Default"	means any event specified as such in Clause 12 of the Conditions.
"Guarantee Agreement"	means guarantee agreement dated on or before the date of these Conditions and to be entered into between, among others, the Guarantor and the Bondholders' Representative, in connection with the Guaranteed Bonds.
"Guaranteed Amount"	has the meaning given to it in Clause 1.1 (*Definitions*) of the Guarantee Agreement.
"Guaranteed Bonds 1"	means LOLC Guaranteed Sustainability Bonds that are settled in USD.

"Guaranteed Bonds 2"	means LOLC Guaranteed Sustainability Bonds that are settled in KHR.
"Guaranteed Bonds"	means Guaranteed Bonds 1 and Guaranteed Bonds 2 of LOLC.
"ICMA"	means International Capital Market Association.
"Indebtedness"	means (a) all liabilities for borrowed money secured by any Lien with respect to any property owned by such Person (whether or not it has assumed or otherwise become liable for such liabilities); (b) all its liabilities in respect of letters of credit or instruments serving a similar function issued or accepted for its account by banks and other financial institutions (whether or not representing obligations for borrowed money); (c) any guarantee of such person with respect to liabilities of a type covered above.
"Issue Date"	means 20 August 2026, being the issue date of the Guaranteed Bonds and from which, the coupon starts to accrue.
"KHR"	means Cambodian Ricl, thc lawful currency of Cambodia.
"Maturity Date"	means 20 August 2031.
"Maximum Guaranteed Amount"	has the meaning given to it in Clause 1.1 (*Definitions*) of the Guarantee Agreement.
"Minimum Subscription Amount"	has the meaning given to it in Clause 5.1 of the Conditions
"Non-Payment Event"	has the meaning given to it in Clause 12.1 of the Conditions.
"Principal Amount"	means the outstanding principal amount in respect of the Guaranteed Bonds at any time.
"Record Date"	means the date specified as such in Clause 6 of the Conditions.
"Register"	means the register or a source of registration information which records particulars relating to the Guaranteed Bonds and the Bondholders, the transfer, pledge, attachment, and other matters related to the Guaranteed Bonds.
"Registrar, Transfer Agent and Paying Agent"	means ACLEDA Bank Plc.
"Registrar, Transfer Agent and Paying Agent Agreement"	means the Registrar, Transfer Agent and Paying Agent Agreement dated 29 May 2026 between the Issuer and Registrar, Transfer Agent and Paying Agent and any subsequent amendment thereto, or any agreement appointing a new Registrar, Transfer Agent and Paying Agent to replace the existing Registrar, Transfer Agent and Paying Agent (if any) from time to time.
"Secondary Market"	means CSX and any other securities trading platform that are permitted by the SERC.
"SERC"	means the Securities and Exchange Regulator of Cambodia.

"SERC's Prakas no. 007/18"	means the Prakas no. 007/18 on Corporate Disclosure issued by the SERC.
"SERC's Prakas no. 009/17"	means the Prakas no. 009/17 on Public Offering of Debt Securities issued by the SERC.
"SERC's Prakas no. 016/17"	means the Prakas no. 016/17 on Implementation of the Listings Rules of Debt Securities issued by the SERC.
"Subsidiary"	means, in relation to any company or corporation, a company or corporation: a) which is controlled, directly or indirectly, by the first mentioned company or corporation; b) which has more than half the issued equity share capital of which is beneficially owned, directly or indirectly, by the first mentioned company or corporation; or c) which is a subsidiary of another subsidiary of the first mentioned company or corporation, and for this purpose, an entity shall be treated as being controlled by another if that other person is able to direct its affairs and/or to control the composition of its board of directors or equivalent body.
"Trading Account"	means Bondholders' trading accounts under licensed securities firms, in accordance with the applicable laws.
"USD" or "US$"	means the United States dollar, the lawful currency of the United States of America.

2. Form, Denomination, Settlement Currency, and Terms

2.1. The Guaranteed Bonds will be issued in registered form and deposited with the securities depository operator of the CSX.

2.2. The Guaranteed Bonds are denominated in KHR, with a nominal value of KHR 100,000 (one hundred thousand) each ("**Nominal Value**").

2.3. The settlement of the Guaranteed Bonds 1 will be made in US$, using a pre-determined exchange rate of KHR 4,000 per US$, which shall be fixed from the Subscription Date until the termination of the Guaranteed Bonds.

2.4. The settlement of the Guaranteed Bonds 2 will be made in KHR.

2.5. The Guaranteed Bonds have a tenor of 5 (five) years from the Issue Date, carrying coupon at the Coupon Rate.

2.6. On the Issue Date, the sum of number of the Guaranteed Bonds shall not exceed 800,000 (eight hundred thousand) units with an aggregate issue amount of KHR 80,000,000,000 (eighty billion KHR) equivalent to US$20,000,000 (twenty million).

3. Status of the Guaranteed Bonds and the Guarantee

The Guaranteed Bonds constitute unsubordinated and unsecured obligations of the Issuer. The payment obligations of the Issuer under the Guaranteed Bonds shall, subject to Clause 7.4 (Negative Pledge) and save for such exceptions as may be provided by applicable laws, rank *pari passu* and without any preference among themselves, and at least equally with all other unsecured and unsubordinated indebtedness of the Issuer, present and future, and rank ahead of all subordinated debt and the shareholder's equity of the Issuer.

3.1. Guarantee

The payment obligations of the Issuer under Clause 8 and Clause 1.1 of Appendix A are unconditionally and irrevocably guaranteed by the Guarantor to the extent of, and in accordance with and subject to the terms of the Guarantee Agreement. Such payment obligations of the Guarantor under the Guarantee Agreement are direct, unconditional and general obligations of the Guarantor and rank *pari passu* with the claims of all its other unsecured and unsubordinated creditors, present or future, except for obligations mandatorily preferred by law.

3.1.1. Limitation on the Guarantor's Liabilities

3.1.1.1. The recourse of each of the Bondholders' Representative, the Securities Registrar, Transfer Agent and Paying Agent, and the Bondholders against the Guarantor's assets in respect of the Guarantee is limited solely to the Guaranteed Amount and the Maximum Guaranteed Amount in accordance with the provisions of the Guarantee Agreement.

3.1.1.2. Each of the Bondholders, the Bondholders' Representative, the Securities Registrar, Transfer Agent and Paying Agent acknowledges and accepts that no shareholder(s) of the Guarantor or officers, employees, advisors, or agents of the Guarantor or of shareholder(s) shall be subject to any personal liability whatsoever to any third party including each of the Bondholders' Representative, Bondholders, the securities Registrar, Transfer Agent and Paying Agent in connection with the operation of the Guarantor or under the Guarantee Agreement, any other related documents or any Bond Document. No action may be brought against shareholder(s) of the Guarantor or any of their respective officers, employees or agents by any third party including each of the Bondholders' Representative, and the Bondholders, the Securities Registrar, Transfer Agent and Paying Agent in connection with the Guaranteed Bonds, the Guarantee Agreement, any other related documents or any Bond Document.

3.2. Guarantor's Subrogation and Transfer Rights under the Guarantee, and Declaration of Intent to Receive Rights and Benefits

3.2.1. The Issuer accepts and the Bondholders are deemed to accept, that immediately upon the payment by the Guarantor of amounts due under the Guarantee Agreement, at the time of payment (1) the Guarantor is entitled to be subrogated to and may direct the exercise of all of the rights, powers and remedies of the Bondholders' Representative, on behalf of the Bondholders in accordance with the Guarantee Agreement, and (2) at the request of the Guarantor, the Issuer and the Bondholders shall execute such instruments or documents and take such other actions as the Guarantor may require to transfer and assign the Guaranteed Bonds to the Guarantor insofar as to the extent relating and proportionate to the amount paid by the Guarantor.

3.2.2. Provided that these Conditions provide certain rights and benefits to the Guarantor, the Guarantor may declare its intention to accept any and all rights and benefits accorded to it under these Conditions by providing a written notice of such declaration to the Issuer and the Bondholders' Representative in a form to be determined by the Guarantor in accordance with Cambodian laws.

4. Register and Bondholders

4.1. The Issuer has appointed ACLEDA Bank Plc. to act as the Registrar, Transfer and Paying Agent ("**RTP**") in respect of the Guaranteed Bonds in accordance with the Registrar, Transfer Agent and Paying Agent Agreement. The RTP shall be obliged under the RTP Agreement to prepare and maintain the Register of the Guaranteed Bonds until all of the Guaranteed Bonds have been redeemed in accordance with the Conditions.

4.2. The rights in the Guaranteed Bonds shall vest ultimately in the individuals or legal entities whose names appear in the Bondholder's Book maintained by the RTP on the relevant Record Date (the "**Bondholder**"), except in a case where an objection has been duly raised in accordance with applicable law; provided that no Affiliate of the Issuer shall be considered a Bondholder for the purposes of these Guaranteed Bonds.

5. Minimum Subscription and Transfers of Bonds

5.1. The subscription of Bonds in the primary market is eligible for any person with a minimum subscription amount of KHR 2,000,000,000 (two billion) equivalent to USD 500,000 (five hundred thousand) (the "**Minimum Subscription Amount**"), which is determined at the discretion of the Issuer.

5.2. After being registered and listed on CSX, the Guaranteed Bonds will become tradable on the Secondary Market and can be transferred among investors with a trading account at any securities firm in Cambodia. Such transfers shall be in compliance with the applicable regulations of the CSX, SERC and any other relevant regulatory authority and agency.

6. Record Date

6.1. Record Date for a Coupon and/or Principal Payment

For the purpose of Coupon and/or payments relating to Bonds redemption, the Register will be closed on the second Business Day prior to each Coupon Payment Date and the Maturity Date. The day is called a "**Payment Record Date**".

Payment of Coupon and/or payments relating to Bonds redemption or any other remuneration shall be made to the Bondholders as of the relevant Payment Record Date pursuant to the list provided to the Issuer by the Securities Transfer Agent.

6.2. Record Date for Bondholders' meeting and other purposes

For the purpose of Bondholders' meeting or other purposes, the Register will be closed on the fourteenth Calendar Day prior to any date fixed for any meeting of the Bondholders or any other date for any other purposes as specified in these Conditions and as notified by the Issuer to the Transfer Agent, the Bondholders' Representative and/or the Bondholders. Such a day is also called a "**Bondholder Meeting Record Date**." If such a Record Date falls on a day that is not a Business Day, the Register shall be closed on the next Business Day, and in such case, the closed period of the Register shall be less than 14 (fourteen) Calendar Days.

The Issuer hereby reserves the right to change the date and time for the closure of the Register for Bondholders' meeting or other purposes without the need to obtain consent from Bondholders, provided that such change must be approved by the SERC or any relevant authorities and that the Issuer shall provide written notice to the Bondholders, the Bondholders Representative and the Guarantor within 7 (seven) Business Days of such change.

7. Covenants of the Issuer

The Issuer undertakes to comply with the covenants set out in this Clause for as long as any Guaranteed Bonds under these Conditions remain outstanding.

7.1. Appointment of Replacement of Bondholders' Representative

If it becomes necessary to replace the Bondholders' Representative, the Issuer shall, upon obtaining a prior written consent from the Guarantor which consent to consist of the Guarantor having satisfied its necessary "know your customer" or other similar checks with respect to the new Bondholders' Representative and the Guarantor being satisfied with the reputation of the new Bondholders' Representative and of satisfaction of any relevant regulatory approval, appoint a replacement Bondholders' Representative as soon as practicable, but in any case no later than 90 (ninety) Calendar Days from the date on which the Issuer is aware of the event which requires the replacement of the Bondholders' Representative pursuant to Clause 17.2 below.

7.2. Information Covenant

7.2.1. In addition to the information disclosure as required by the SERC's Prakas no. 007/18 SERC/Pr.K. dated on 30 October 2018 on Corporate Disclosure and subsequent amendment thereto, and other applicable laws and regulations, the Issuer shall prepare annual audited financial statements in the

English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than 90 (ninety) Calendar Days after the end of the financial year or at any appropriate date determined by the Director General of the SERC.

7.2.2. The Issuer shall prepare quarterly interim accounts reviewed by an SERC-accredited auditor in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than 45 (forty five) Calendar Days after the end of the relevant quarterly period or at any appropriate date determined by the Director General of the SERC.

7.2.3. The Issuer shall procure that the Financial Reports delivered pursuant to Clause 7.2.1 and Clause 7.2.2 are prepared using CIFRS.

7.2.4. The Issuer shall supply the Bondholders Representative, in connection with the compliance of Negative Pledge pursuant to Clause 7.2.2, the Compliance Certificate with a copy of the interim accounts attached thereto. The Compliance Certificate shall be duly signed by the chief executive officer or the chief financial officer of the Issuer, certifying inter alia that the interim accounts are fairly representing its financial condition as at the date of those financial statements, and confirming its compliance with the Negative Pledge pursuant to Clause **Error! Reference source not found.** of these Conditions.

7.2.5. If, after the Issue Date, the submission period referred to above is changed under the applicable laws or regulations, the Issuer shall comply with the new submission period or requirements according to such amended applicable laws and regulations.

7.2.6. The Issuer shall promptly send a written notice to the Guarantor and the Bondholders' Representative if it becomes aware of an occurrence of any event which constitutes an Event of Default or any event which would (with the giving of notice, lapse of time, determination of materiality or the fulfilment of any other applicable condition or any combination of the foregoing) constitute an Event of Default under these Conditions.

7.2.7. The Issuer shall report to the Guarantor, the SERC and the Bondholders' Representative as promptly as possible when there is a material adverse change to the Issuer's business, financial status.

7.3. Maintenance of Listed Status

The Issuer shall use its reasonable efforts to maintain the listed status of the Guaranteed Bonds on the CSX or the Secondary Market throughout the term of the Guaranteed Bonds.

7.4. Negative Pledge

Without prejudice to the Guarantee Agreement, and so long as any Guaranteed Bond remains outstanding, the Issuer shall not create, incur, assume, or permit to exist any lien, mortgage, pledge, security interest, charge, or encumbrance of any kind on or with respect to its property, assets or revenues, whether now owned or hereafter acquired, to secure its obligations under credit documents to which it is a party other than short-term borrowing, revolving credit line, overdraft facilities entered into for cash management purpose, provided that the aggregate outstanding the amount of such facilities shall not exceed 10% (ten per cent) of the Issuer's outstanding gross loan portfolio.

7.5. AML/CTF Compliance

The Issuer shall comply with applicable anti-money laundering and counter-terrorism financing laws, regulations, and any applicable laws relating to proliferation financing, economic or trade sanctions including the laws or regulations implemented by the Office of Foreign Assets Controls of the United States Department of the Treasury, in connection with the performance of its obligation under the Conditions.

The Issuer further warrants that its performance under the Conditions will not violate sanctions laws,

meaning those economic sanctions laws, regulations, embargoes, or restrictive measures administered or imposed by the United Nations Security Council, the United Kingdom, the United States of America, the European Union or its member states, or any other applicable jurisdiction in connection with the performance of its obligation under the Conditions.

8. Payment of Coupon

8.1. Coupon

8.1.1. Coupon Rate on LOLC Guaranteed Bonds shall be 5.75 % per annum paid semi-annually in arrears on each Coupon Payment Date.

8.1.2. The Guaranteed Bonds will start to accrue coupon at the Coupon Rate in Clause 8.1.1 from the Issue Date, with coupon payable semi-annually in arrears on each Coupon Payment Date. Semi-annual coupon on the Guaranteed Bonds will be calculated by multiplying the outstanding principal of the Guaranteed Bonds at the beginning of each Coupon Period by one-half of the Coupon Rate, following the Actual/Actual ICMA day count convention.

8.1.3. The outstanding principal in US$ of Guaranteed Bonds 1 is calculated by dividing the outstanding principal in KHR by the pre-determined fixed exchange rate of 4,000 KHR/US$.

8.1.4. The Guaranteed Bonds will cease to bear coupon from the beginning of the Maturity Date unless, at the time of redemption, payment of the principal is improperly withheld or refused. In that event, coupon shall continue to accrue on the outstanding principal amount of the Guaranteed Bonds in accordance with Clause 8.1.58.1.5 until (but excluding) the date on which the amount of the redemption amount has been successfully settled.

8.1.5. If the Issuer fails to pay any amount payable (i.e. principal and/or coupon payment or any other payment) as provided in these Conditions by the last day of the applicable grace period (the maximum grace period is 5 (five) Business Days) that follows the Due Date, coupon accrued on the overdue amount which is due but unpaid from (but excluding) the last day of the applicable grace period until (but excluding) the date on which the full amount of the overdue amount together with such accrued coupon has been successfully transferred to the Trading Accounts, shall be calculated at the Default Interest Rate.

9. Method, Time, and Place for Payment of Coupon and Principal

9.1. Payment of Coupon and/or redemption amounts shall be made by the Issuer through the Paying Agent to each Bondholder's Trading Account. If the details of a Trading Account are changed, the relevant Bondholder shall immediately notify in writing to the Issuer and the Paying Agent, and in any event – at least 10 (ten) Business Days prior to the relevant Coupon Payment Date.

9.2. Any payment under the Guaranteed Bonds (i.e. principal and/or coupon payment or any other payment) to Bondholders shall be made on the Coupon Payment Date or Maturity Date. If any Coupon Payment Date or Maturity Date does not fall on a Business Day, the payment shall be made on the next following Business Day ("**Adjusted Payment Date**"). In case of potential technical errors faced by the Paying Agent including issues with cross-bank transfer (upon providing evidence), there shall be a grace period of 3 (three) Business Days from the Adjusted Payment Date for the actual payment to be made. In such cases, the Issuer shall not be liable for any additional coupon or penalties arising from the postponement of such payment.

9.3. In the case of payment made later than the applicable grace period due to:

9.3.1. the Issuer fails to reserve cash to cover the payment in its Bond Payment Account with the Paying Agent as set out in the Registrar, Transfer Agent and Paying Agent Agreement, the Issuer shall pay the overdue amount together with accrued coupon calculated in accordance with Clause 8.1.5.

9.3.2. the Paying Agent's negligence, the Bondholders are entitled to only enforce the amount due under the Conditions in the Registrar, Transfer Agent and Paying Agent Agreement against the Issuer. In this regard, the amount due to the Bondholders shall be distributed on a *pro rata* basis.

9.3.3. the event or cause beyond the reasonable control of the Issuer or Paying Agent affected by force majeure including—without limitation, fire, flood, explosion, landslide, epidemic, breakdown of or damage to equipment or facilities, strikes, labor disputes, war, sabotage, riot, insurrection, civil commotion, national emergency—neither the Issuer nor the RTP shall be required to make any additional coupon or penalties arising from the postponement of such payment caused directly by the force majeure.

9.4. Distribution of Payments

Prior to payment by the Guarantor under the Guarantee Agreement, all principal, coupon and any other amounts shall be paid by the Issuer in accordance with the following order of priority:

a) firstly, on a *pari passu* basis and *pro rata* (i) directly to the Bondholders' Representative, the payment of all reasonable costs, expenses and liabilities incurred by the Bondholders' Representative in performing its duties and obligations in respect of the Guaranteed Bonds in accordance with these Conditions and the Bondholders' Representative Agreement and (ii) directly to the Guarantor any costs and expenses incurred by the Guarantor in accordance with the Guarantee Agreement or the Reimbursement and Indemnity Agreement;

b) secondly, on a *pari passu* basis and *pro rata* directly to (i) the Bondholders' Representative, the remuneration of the Bondholders' Representative in respect of the Guaranteed Bonds pursuant to the Bondholders' Representative Agreement and (ii) the Guarantor, the remuneration of the Guarantor pursuant to the Reimbursement and Indemnity Agreement;

c) thirdly, directly to the Trading Account or other designated bank account of that Bondholder described in the Bondholders' Book, the coupon of the Guaranteed Bonds accrued and unpaid up to the date of payment;

d) fourthly, directly to the Trading Account or other designated bank account of that Bondholder described in the Bondholders' Book, the outstanding amount of the principal of the Guaranteed Bonds; and

e) finally, directly to the Issuer, the balance (if any) to be paid to the Issuer without unreasonable delay.

9.5. Guarantee Claims

Further to a demand being sent to the Guarantor in compliance with the terms of the Guarantee Agreement, the Guarantor shall, subject to the terms of the Guarantee Agreement, pay the amount claimed in the Notice of Payment Demand.

10. Redemption of the Guaranteed Bonds

The Guaranteed Bonds shall be redeemed partially before and on the Maturity Date exclusively in accordance with Appendix A and the terms of the Conditions.

11. Prescription Period

Any claim against the Issuer in relation to the payment of coupon or principal under a Guaranteed Bond shall become void unless such claim is made within 5 (five) years from the time at which the Bondholders' Representative accelerates the payment of the Guaranteed Bonds under Clause 13.2 below.

12. Events of Default

It shall be an event of default (an "**Event of Default**") under the Guaranteed Bonds if any of the following events occurs and is continuing, in which case the Bondholders' Representative shall comply with Clause 13.2, 13.3 or 13.4 below:

12.1. **Non-Payment Event:** the Issuer fails to pay any amount of scheduled principal and coupon in respect of any of the Guaranteed Bonds within 5 (five) Business Days of the Due Date for payment thereof. If

the Issuer defaults in making a payment under any Guaranteed Bond to any Bondholder, if otherwise not apparent or clearly proven to the contrary, it shall be presumed that such defaults in payment have occurred to all the Guaranteed Bonds;

12.2. **Breach of other obligations:** the Issuer does not perform or comply with any one or more of its other obligations under these Conditions and such default is not remedied within 30 (thirty) Calendar Days after notice of such default shall have been given to the Issuer by the Bondholders' Representative;

12.3. **Cross-Default:**

12.3.1. any other Indebtedness of the Issuer or any Subsidiary becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or

12.3.2. any such Indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or

12.3.3. the Issuer fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any Indebtedness owed by the Issuer, and provided that the aggregate amount of the relevant Indebtedness (excluding any Indebtedness owed to, or guaranteed in favour of, any shareholder or affiliate of the Issuer) in respect of which one or more of the events mentioned above in this Clause 12.3 have occurred equals or exceeds KHR 10,000,000,000 (ten billion Khmer Riel);

12.4. **Enforcement proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or any material part of the assets of the Issuer and is not removed, dismissed or discharged within 90 (ninety) Calendar Days;

12.5. **Insolvency:** the Issuer or any Subsidiary:

12.5.1. is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts as they fall due, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its Indebtedness,

12.5.2. begins negotiations or takes any other proceeding for the deferral, rescheduling or other readjustment of all or any material part of (or all of a particular type of) its indebtedness (or of any material part which it will otherwise be unable to pay when due) except for any such rescheduling of Indebtedness which has been mandated by the National Bank of Cambodia or any other governmental authority, or

12.5.3. proposes or makes a general assignment or an arrangement or scheme or composition with or for the benefit of its creditors;

12.6. **Winding-up:** any corporate action or legal proceeding is taken with a view to the winding-up (other than those of a frivolous or vexatious nature or those which are contested in good faith and, in each case, which are discharged within 90 (ninety) Calendar Days of their commencement), of the Issuer or any Subsidiary or for the appointment of a liquidator (including a provisional liquidator), administrator or similar officer of the Issuer or over all or any material part of the assets of the Issuer (except for the purpose of a reconstruction or reorganisation);

12.7. **Authorization and Consents:** any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Guaranteed Bonds and these Conditions, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Guaranteed Bonds and these Conditions admissible as evidence in the courts of Cambodia is not taken, fulfilled or done;

12.8. **Cessation**: the Issuer ceases to conduct its businesses, restrained or in any way prevented by any supervising authority and/or court from conducting all or any material part of its business and such

injunction, restraint or other preventive order is not dismissed within 90 (ninety) Calendar Days after the entry thereof;

12.9. **Nationalization:** any competent state authority nationalizes, seizes, or otherwise assumes custody or control of all or any material part of the business, operations, properties, or other assets of the Issuer or of the Issuer's share capital, or take any action for the dissolution of the Issuer or any action that would prevent the Issuer or its officers from carrying on all or any material part of its business or operations;

12.10. **Illegality:** it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Guaranteed Bonds or these Conditions; or

12.11. **Guarantee not in force:** the Guarantee Agreement is not (or is claimed by the Guarantor not to be) in full force and effect.

13. Acceleration of the Guaranteed Bonds

13.1. No Acceleration by the Issuer

For the purpose of clarity, the Issuer hereby acknowledges and agrees that there is no provision under these Conditions or any other documents relating to the Guaranteed Bonds which allow the Issuer to accelerate the Guaranteed Bonds at its instigation.

13.2. Acceleration Step Under the Guarantee Agreement

If any Event of Default occurs and is continuing, the Bondholders' Representative shall deliver a default notice to the Issuer and the Guarantor informing them of the occurrence of such Event of Default. If the Issuer defaults in making a payment under any Guaranteed Bond to any Bondholder, if otherwise not apparent or clearly proven to the contrary, it shall be presumed that such defaults in payment have occurred to all the Guaranteed Bonds.

Pursuant to the terms of the Guarantee Agreement and Clause 13.3 below, the Bondholders' Representative and the Bondholders agree that, notwithstanding any term of the Bond Documents to the contrary, it shall not take steps to declare any Guaranteed Bond to be or become immediately due and payable, or payable on an accelerated basis under the Bond Documents, in respect of the Guaranteed Bonds (an "**Acceleration Step**") other than (1) if any amount due by the Guarantor has not been paid by the applicable due date in accordance with the Guarantee Agreement; or (2) pursuant to Clause 13.4 below.

13.3. Acceleration following a Non-Payment Event

Save as provided in Clause 13.4 below, the Bondholders' Representative and the Bondholders of the Guaranteed Bonds will have no right to accelerate without the Guarantor's consent. Any payments made after acceleration will be made pursuant to Clause 2 (Guarantee and Payment Covenant) and Clause 4 (Payment and Taxes) of the Guarantee Agreement.

13.4. Acceleration following the Occurrence of an Event of Default other than Clause 12.1 (Non-Payment)

If any Event of Default other than the Non-Payment Event occurs and is continuing, and if:

13.4.1. the Bondholders' Representative has received a written demand from any one or more of the Bondholders together holding at least 75% (seventy-five per cent) of the total outstanding principal amount of the Guaranteed Bonds; or

13.4.2. the Bondholders' Representative has received a resolution of the Bondholders' meeting passed in accordance with Clause 6.4 of Appendix B,

then the Bondholders' Representative may take an Acceleration Step to declare the Guaranteed Bonds to be immediately due and payable. In such case, however, the Bondholders' Representative and the Bondholders shall have no right to deliver a Notice of Payment Demand in respect of any amount to be paid by the Guarantor in accordance with the Guarantee Agreement pursuant to Clause [2.2] of the Guarantee Agreement.

14. Taxation

The Coupon Rates stated herein are inclusive of any applicable withholding tax on coupon. Bondholders shall receive coupon payments net of any such withholding tax, which will be deducted by the Issuer or Paying Agent in accordance with the applicable laws. The Issuer and Paying Agent shall have no obligation to gross up or otherwise reimburse Bondholders for any amounts withheld.

15. Meeting of Bondholders

The meeting of Bondholders shall follow the Bondholders' Meeting Rules attached as Appendix B of the Conditions.

16. Powers, Duties and Authority of the Bondholders' Representative

Powers, duties and authority of the Bondholders' Representative are provided in the Bondholders' Representative Agreement.

17. Appointment and Replacement of the Bondholders' Representative

17.1. The Issuer has appointed Canadia Securities Co., Ltd., which has all the qualifications as required by the SERC's regulation to act as Bondholders' Representative and has received the necessary approvals from relevant government agencies including the SERC to perform its duties and functions under these Conditions and the Bondholders' Representative Agreement. The Bondholders shall be deemed to have given their consent to the Issuer for the appointment of Canadia Securities Co., Ltd. as Bondholders' Representative and to have ratified any action the Bondholders' Representative may have done for or on behalf of the Bondholders prior to and after the Issue Date or the subscription or accepting the transfer of the Guaranteed Bonds.

17.2. A replacement of Bondholders' Representative is required if:

(a) the Bondholders' Representative become disqualified to act as Bondholders' Representative and the Bondholders' Representative is unable to obtain the requisite qualifications to act as the Bondholders' Representative within 60 (sixty) Calendar Days from the date that the Bondholders' Representative becomes aware of its lack of the qualifications; or

(b) a Bondholders' meeting resolves to revoke the appointment of the Bondholders' Representative in accordance with the Conditions; or

(c) meeting of Bondholders resolves to replace the Bondholders' Representative as the meeting considers that the Bondholders' Representative has not performed its duties professionally or efficiently; or

(d) the Issuer terminates the appointment of the Bondholders' Representative according to the procedures specified in the Bondholders' Representative Agreement.

17.3. If a replacement of the Bondholders' Representative is required under Clause 17.2, the Bondholders' Representative or the Issuer shall either:

(a) call a meeting of Bondholders to pass a resolution approving a replacement of Bondholders' Representative and the appointment of another person nominated by the Issuer to assume the duties of Bondholders' Representative; or

(b) issue a written request to each Bondholder for approval of a replacement of the Bondholders' Representative and the appointment of another person nominated by the Issuer to assume the duties of Bondholders' Representative. If no Bondholders whose individual or aggregate holdings amount to more than twenty five (25) % of the total number of units of unredeemed Guaranteed Bonds have filed a written objection within a period of 30 (thirty) Calendar Days from the date of issue of the written request by the Issuer, it shall be deemed that all the Bondholders have given approval for a replacement of the Bondholders' Representative from the current incumbent to the person nominated by the Issuer in such written request.

If a replacement of Bondholders' Representative is required under these Conditions for whatever reason, the existing Bondholders' Representative must continue to perform its duties to protect the interests of Bondholders in accordance with these Conditions until the new Bondholders' Representative assumes its duties as Bondholders' Representative.

17.4. Upon written consent from the Guarantor, the Issuer shall request approval from the SERC for a replacement of Bondholders' Representative pursuant to any relevant notifications and laws which are in force for the time being. After the Issuer has completed arrangements regarding appointment of the new Bondholders' Representative, the Issuer shall notify the Guarantor and the Bondholders of such appointment within 30 (thirty) Calendar Days and the existing Bondholders' Representative shall without delay hand over the assets, and all relevant documents to the newly-appointed Bondholders' Representative and fully provide its cooperation to the newly-appointed Bondholders' Representative to ensure an orderly transition and enable the assumption of duties by the newly-appointed Bondholders' Representative.

18. Amendment to the Conditions and Guarantee Agreement

18.1. Subject to the applicable laws and regulations, any amendment to these Conditions and the Guarantee Agreement require the approval of the Issuer, the Guarantor, the SERC and the Bondholders' Representative (acting upon the resolution of Bondholders' meeting), provided that, in each case, the amendments made in accordance with Clause 18.1.1, 18.1.2, and 18.1.3 below shall not require any resolution of the Bondholders' meeting:

18.1.1. any amendment or modification of these Conditions, the Guarantee and/or any agreement relating to the Guaranteed Bonds in any respect that the Bondholders' Representative deems to be beneficial to the Bondholders or in a manner that would not materially prejudice the Bondholder's rights, may only be made if the Bondholders' Representative receives written approval from Bondholders holding at least 51% (fifty one per cent) of the value of the Guaranteed Bonds;

18.1.2. any amendment or modification of these Conditions, the Guarantee Agreement and/or any agreement relating to the Guaranteed Bonds in order to correct any manifest errors or to ensure they are in compliance with any mandatory provision of applicable laws, shall not require any consent of the Bondholders' meeting; and

18.1.3. any agreement to any waiver, exemption or authorisation of any breach or proposed breach, of any provisions of these Conditions (including, but not limited to Clause 12) that is in the opinion of the Bondholders' Representative not materially prejudicial to the interest of the Bondholders, may only be made if the Bondholders' Representative receives written approval from Bondholders holding at least 51% (fifty-one per cent) of the value of the Guaranteed Bonds;

18.2. The Bondholders' Representative must deliver copies of the amended Conditions, Guarantee Agreement and other relating documents (if any) to the Issuer, the Guarantor, the Securities Transfer Agent, the SERC and the CSX within 15 (fifteen) Calendar Days from the effective date of such amendment and to the Bondholders upon written request.

19. Notices

19.1. Notices to the Issuer will be deemed to be validly given:

19.1.1. if sent by private international courier will be deemed to have been validly given on the third day after the date it is mailed;

19.1.2. if sent by hand, at the time of delivery;

19.1.3. if posted from a country other than that of the addressee, on the seventh Business Day after the date it is posted; and

19.1.4. if given or made by email, immediately provided that, following the delivery, the sender's email produces a delivery confirmation report, confirming successful delivery of the email.

19.2. Neither the failure to give notice nor any defect in any notice given to any particular Bondholder shall

affect the sufficiency of any notice with respect to other Bondholders.

19.3. Notices to the Guarantor shall be validly given if sent to the address, email or fax number of the Guarantor specified in the Guarantee Agreement.

THE ISSUER

LOLC (CAMBODIA) PLC.

Address: #666B, Street 271, Kbal Tumnub Muoy Village, Sangkat Boeng Tumpun 2, Khan Mean Chey, Phnom Penh, Cambodia

Telephone: +855 (0) 23 991 991

Attention: Mr. Sok Voeun, Chief Executive Officer

19.4. Language

All notices and communications to be made to the Issuer in relation to the Guaranteed Bonds and these Conditions shall be made in Khmer or English language, unless as otherwise required under the applicable laws or any other agreement, in which case an English translation thereof shall be provided to the Issuer.

20. Effectiveness of the Conditions and the Applicable Laws

20.1. Effectiveness of the Conditions

These Conditions shall take effect from the Issue Date of the Guaranteed Bonds until the date on which all the Guaranteed Bonds are redeemed, cancelled or Issuer's obligations have otherwise been discharged in accordance with the Conditions, whichever event occurs earlier.

20.2. Governing Law

20.2.1. These Conditions of the Guaranteed Bonds shall be governed by and interpreted in accordance with the laws of Cambodia. If any provision of these Conditions is discrepancy or inconsistent with the provisions of any applicable laws or the SERC regulations which are applicable to the Guaranteed Bonds under the law, the provisions of such applicable to the Guaranteed Bonds shall supersede only the parts of these Conditions which give to such discrepancy or inconsistency.

20.2.2. Any dispute arising out of or in connection with these Conditions, including any question regarding its existence, validity, performance or termination, shall be referred to and finally resolved by arbitration administered by the National Commercial Arbitration Centre of the Kingdom of Cambodia in accordance with the Arbitration Rules of the National Commercial Arbitration Centre ("NCAC Arbitration Rules") being in force at the time of commencement of arbitration, and by reference in this clause, the NCAC Arbitration Rules are deemed to be incorporated as part of these Conditions. The Tribunal shall consist of 3 (three) arbitrators. One arbitrator shall be appointed by the Issuer, one arbitrator shall be appointed by the Bondholders' Representative (acting on behalf of the Bondholders), and the third arbitrator, who shall act as the Presiding Arbitrator of the Tribunal, shall be appointed by the two party-appointed arbitrators. If the two party-appointed arbitrators fail to agree upon the third arbitrator within 30 days of the appointment of the second arbitrator, the third arbitrator shall be appointed by the President of the NCAC. The language of the arbitration shall be English.

20.2.3. Notwithstanding Clause 20.2.2, nothing in these Conditions shall limit the right of the Bondholders' Representative and/or the Bondholders (when entitled to do so) to commence any legal action against the Issuer and/or its assets in any other jurisdiction or to serve process in any manner permitted by law, and the taking of proceedings in any jurisdiction shall, to the full extent permitted by applicable laws of the relevant jurisdictions, not preclude the Bondholders' Representative and/or the Bondholders from taking proceedings in any other jurisdiction whether concurrently or not.

20.2.4. In the case where the Issuer has acquired or will subsequently acquire immunity from the proceedings in respect of itself or its property, the Issuer waives such immunity, except immunity in respect of its property used for diplomatic or consular missions, property of a military nature, and property located in its territory and dedicated to a public or governmental use as distinguished from the property dedicated to commercial use.

These Conditions are made on 5 August 2026 and shall be effective from the Issue Date.

Issuer
LOLC (Cambodia) Plc.

By: Sok Voeun

Title: Chief Executive Officer

APPENDIX A: REDEMPTION OF THE GUARANTEED BONDS

1.1. ***Partial Redemptions***

The Guaranteed Bonds shall be partially redeemed before and on the Maturity Date and in accordance with the following conditions:

1.1.1. **Redemption Schedule:** A portion of all the Guaranteed Bonds shall be redeemed at the following date ("**Redemption Date**"). The total number of Guaranteed Bonds to be redeemed at any Redemption Date shall be determined by the percentage (as indicated in the table below) of the total outstanding Guaranteed Bonds prior to that Redemption Date.

No.	Redemption Date	% of Outstanding Guaranteed Bonds
1	20 February 2027	0.0000%
2	20 August 2027	0.0000%
3	20 February 2028	0.0000%
4	20 August 2028	0.0000%
5	20 February 2029	0.0000%
6	20 August 2029	20.0000%
7	20 February 2030	25.0000%
8	20 August 2030	33.3333%
9	20 February 2031	50.0000%
10	20 August 2031	100.0000%

1.1.2. **Number of Guaranteed Bonds to be Redeemed:** For each Bondholder, the number of such Guaranteed Bonds to be redeemed shall be determined in accordance with the outstanding number of such Guaranteed Bonds registered in the name of each Bondholder just prior to each Redemption Date. For each Bondholder, if the result of multiplication is less than 1 (one) Bond, it shall be rounded to the nearest integer.

1.1.3. **Bonds Due on Redemption Date:** All the Guaranteed Bonds so called for redemption shall become due and payable at the Nominal Value on the Redemption Date in the same manner and with the same effect as if it were the Maturity Date. After each Redemption Date, if the moneys necessary to redeem such Guaranteed Bonds shall have been paid in accordance with Clause 9 *(Method, Time, and Place for Payment of Coupon and Principal)*, such Guaranteed Bonds shall not be considered as outstanding hereunder and coupon upon such Guaranteed Bonds shall cease.

1.2. ***Purchase of Guaranteed Bonds by the Issuer or its Affiliates***

The Issuer or any of its Affiliates may at any time, after obtaining consent from the Guarantor, purchase the Guaranteed Bonds in any open market or otherwise and at any price. The Guaranteed Bonds repurchased by the Issuer or any of its Affiliates as specified above shall be cancelled in accordance with Clause 1.3 below and the Issuer must promptly inform the Guarantor in writing of such cancelled Guaranteed Bonds. As long as such acquired Guaranteed Bonds are held by the Issuer or the Issuer's Affiliates, such Guaranteed Bonds shall not (i) be covered under the Guarantee Agreement or (ii) entitle the Issuer or Issuer's Affiliates to vote at any meeting of the Bondholders and shall not be deemed to be outstanding for the purpose of calculating a quorum with respect to meetings of the Bondholders.

1.3. ***Cancellation***

The Guaranteed Bonds that are redeemed or repurchased by the Issuer or any of its Affiliates must be cancelled and may not be re-issued or resold. In this regard, the Issuer shall advise the Registrar to cancel the Guaranteed Bonds, and also inform any relevant authorities in writing of the repurchase and cancellation of the Guaranteed Bonds in accordance with the applicable laws and regulations.

1.4. ***Early Redemption***

Except for the partial redemption provided under 1.1 (Partial Redemptions) above, the Guaranteed Bonds shall not be redeemed by the Issuer without prior written consent from all Bondholders and the Guarantor.

APPENDIX B: BONDHOLDERS MEETINGS

1. Calling Meetings

If the Issuer or the Bondholders' Representative (as the case may be), wishes to call a meeting of the Bondholders, it must send a notice to the Guarantor and arrange for the Securities Transfer Agent to send notices calling the meeting by registered email and/or mail to the Issuer, the Bondholders' Representative and the Bondholders not less than 10 (ten) Calendar Days (excluding the date the notice is sent and the date of the meeting) before the date of the meeting. The notice calling the meeting must specify the date, time and place of the meeting, agenda of the meeting and the person requesting that the meeting be called. The Securities Transfer Agent must send the notice calling the meeting of Bondholders to every Bondholder according to the names and addresses that appear in the Bondholders' Book as at the Record Date.

2. Persons with the right to attend a meeting

The following persons have the right to attend a meeting of Bondholders:

(a) the Bondholders, the Issuer, the Guarantor, and the Bondholders' Representative;

(b) any person or other Bondholder approved by a Bondholder as a proxy ("proxy") to attend the meeting and vote on their behalf under an instrument for appointing a proxy in the form prescribed by the Securities Transfer Agent (available at the head office of the Securities Transfer Agent). A Bondholder who wishes to appoint a proxy must submit the original instrument appointing his proxy to the Securities Transfer Agent not less than 24 (twenty-four) hours before the time appointed for holding of a meeting of Bondholders;

(c) a financial advisor, legal advisor or other person who has been requested by the Issuer and/or the Bondholders' Representative or the Guarantor to attend the meeting to give any explanation and opinion to the meeting on matters to be transacted at the meeting; and

(d) any persons permitted by the chairman of the meeting to attend the meeting as observers.

3. Quorum

3.1 At a meeting of Bondholders to consider and pass resolutions on matters other than those specified in Clauses 6.3, 6.4 and 6.5 of these Rules, there must be 2 (two) or more Bondholders holding an aggregate number of not less than 85 (eighty five) % of the total number of units of outstanding Guaranteed Bonds attending the meeting to constitute a quorum. If a meeting of Bondholders to consider matters under this Clause 3.1 is postponed under Clause 5.1 of these Rules due to a lack of a quorum, a quorum at the subsequent meeting shall be constituted if 2 (two) or more Bondholders holding an aggregate number of not less than 40 (forty) % of the total number of units of outstanding Guaranteed Bonds attend at that meeting.

3.2 At a meeting of Bondholders to consider and pass resolutions on the matters specified in Clause 6.3, 6.4 and 6.5 of these Rules, there must be 2 (two) or more Bondholders holding an aggregate number of not less than 100 (hundred) % of the total number of units of outstanding Guaranteed Bonds attending the meeting to constitute a quorum. If a meeting of Bondholders to consider matters under this Clause 3.2 is postponed under Clause 5.1 of these Rules due to a lack of a quorum, a quorum at the subsequent meeting shall be constituted if 2 (two) or more Bondholders holding an aggregate number of not less than 45 (forty five) % of the total number of units of outstanding Guaranteed Bonds attend at that meeting.

4. Chairman of a meeting

The Bondholders' Representative or the person authorized by the Bondholders' Representative shall be the chairman of the meeting. If the person acting as the chairman has not attended the meeting 45 (forty-five) minutes after the time appointed to hold the meeting, 51 (fifty one) % of the total number of units of outstanding Guaranteed Bonds attending the meeting shall resolve to select one Bondholder to act as chairman of the meeting.

5. Postponement of a meeting

5.1 At any meeting of Bondholders, if it appears that a quorum of Bondholders is not present within 90 (ninety) minutes after the time appointed for holding the meeting, the chairman of the meeting shall postpone the meeting of Bondholders to be held at a date, time and place specified by the chairman, whereby the date for the new meeting must be scheduled not less than 14 (fourteen) Calendar Days but not more than 30 (thirty) Calendar Days from the original meeting date. In addition, the matters to be transacted and resolved in this subsequent meeting must be limited to the matters which were to be duly transacted in the original meeting.

5.2 The Securities Transfer Agent must send a notice calling a subsequent meeting due to a postponement of a meeting caused by a lack of a quorum pursuant to Clause 5.1 of these Rules to the Issuer, the Bondholders' Representative, the Guarantor and the Bondholders according to the names and addresses, to which the previous notices calling the meeting of Bondholders were sent, not less than 10 (ten) Calendar Days prior to the scheduled date for the subsequent meeting (excluding the date the notices were sent and the date of the meeting), and the notice calling the meeting must specify the date, time, place for the meeting, agenda and quorum for such subsequent meeting.

5.3 If subsequent meeting does not meet Quorum (Clause 3 above), the chairman shall order that subsequent meeting be cancelled and there shall be no postponement of that subsequent meeting.

6. Resolutions of a meeting

6.1 The passing of resolutions on various matters at a meeting of Bondholders shall be made by a show of hands or voting by means specified by the chairman of the meeting. Each unit of outstanding Guaranteed Bonds held by a Bondholder shall have one vote. Each Bondholder shall therefore have the same number of votes as the number of units of outstanding Guaranteed Bonds held by him. Voting in favour of a resolution shall be the votes corresponding to all Bondholders present in person or by proxy LESS (a) the votes corresponding to the Bondholders present in person or by proxy stating their vote against or in blank or abstain by communication or statement of their vote, and (b) the total number of votes of the Bondholders who have conflicting interest against said resolution, if any. In the case of a tied vote, the chairman of the meeting shall have a casting vote (in addition to any vote entitled to be cast by the chairman as a Bondholder or as a proxy).

6.2 Except as provided in Clauses 6.3, 6.4 and 6.5 of these Rules, the resolutions of the meeting of Bondholders, shall be passed by a majority vote which is more than 50 (fifty) % of the total number of votes of the Bondholders attending the meeting and casting their votes LESS the total number of votes of the Bondholders who have conflicting interest against said resolution, if any.

6.3 Any resolutions of the meeting of Bondholders on the following matters must be passed by a vote of not less than 66 (sixty-six) % of the total number of votes of the Bondholders attending the meeting and casting their votes LESS the total number of votes of the Bondholders who have conflicting interest against the resolution, if any amendment of the Conditions other than in respect of the matters specified in Clause 6.5 of these Rules and/or in respect of an amendment or modification to the Conditions described in Clauses [18.1.1] to [18.1.3] of the Conditions.

6.4 Any resolutions of the meeting of Bondholders on the following matters must be passed by a vote of not less than 75 (seventy-five) % of the total number of votes of the Bondholders attending the meeting and casting their votes LESS the total number of votes of the Bondholders who have conflicting interest against the resolution, if the approval of the Bondholders' Representative's acceleration following the occurrence of the Event of Default other than Clause [12.1] (Non-Payment) of the Conditions is being submitted for consideration;

6.5 Any resolutions of the meeting of Bondholders on the following matters must be passed by a unanimous vote of the Bondholders attending the meeting and casting their votes LESS the total number of votes of the Bondholders who have conflicting interest against the resolution, if any:

(a) the amendment of the due date for payment of any amount of money under the Guaranteed Bonds;

(b) the reduction, cancellation or amendment of the amount of principal, coupon and/or any other amount of money outstanding or to be paid under the Guaranteed Bonds;

(c) a change in the currency denomination of any amount of money to be paid under the Guaranteed Bonds;

(d) an amendment to the rules regarding meetings of Bondholders relating to the quorum requirements (Clause 3 of these Rules) and resolutions of meetings (Clause 6 of these Rules);

(e) any amendment to the terms and conditions under the Guarantee (other than any amendment or modification to Guarantee described in Clauses [18.1.1] to [18.1.3] of the Conditions);

(f) an amendment of the Conditions in order to be able to effect any matter contemplated under Clause 6.5 (a) to (e) above.

(g) any change to the Bondholders' Representative and the appointment of any person as a new Bondholders' Representative.

(h) the Bondholders Representative's acceleration following the occurrence of the Event of Default under Clause [12.1] (Non-Payment) of the Conditions; and

(i) following the occurrence of Non-Payment Event, any authorisation of the Bondholders' Representative to require the Issuer to make payment of the principal together with all accrued coupon under all of the Guaranteed Bonds under the Conditions, as stated under Clause [8.1.5] of the Conditions.

6.6 Any Bondholder who has a conflict of interest on any matter shall have no right to vote on such matter.

7. Minutes of a meeting of Bondholders

The Bondholders' Representative must prepare the minutes of a Bondholders' meeting to be signed by the chairman of such meeting within 7 (seven) Business Days from the date of the meeting and must maintain the original minutes. The minutes of the Bondholders' meeting must be prepared in Khmer and English. Copies of the minutes of a Bondholders' meetings shall be made available to be examined by the Bondholders at the head office of the Bondholders' Representative on a Business Day and time suitable to the Bondholders' Representative. Copies of the minutes of the Bondholders' meeting signed by the chairman shall be sent to the Guarantor within 10 (ten) Business Days from the date of the meeting.

PROXY LETTER
(For Institutional Bondholder)

Date: _____

Investor ID No. issued by SERC: _____

I, _____, _____, holding ID/Passport No. _____ Issued on _____, and residing at No. _____, being legal representative of _____; bondholder as the date of _____, holding _____ Bonds in the _____, an issued company incorporated under the laws of the Kingdom of Cambodia, hereby appoint:

Mr/Ms., _____, Nationality _____, holding ID/Passport No. _____ issued on _____, and residing at No. _____ to act as my representative to:

Participate and process other relevant documents needed to be filed in the Meeting of Bondholders of _____, which will be held on _____ or such other time, date and place as the meeting may be held.

Any acts performed by this proxy letter in Meeting of Bondholders shall be deemed to be the actions performed by myself.

IN WITNESS of the above, I hereby confirm the above on the date written below.

BONDHOLDER
(LEGAL REPRESENTATIVE)

_____
Signature, Name and Company Seal
Date:

PROXY

_____
Signature and Name
Date:

Sustainability Bonds Terms and Conditions

Issuer	LOLC (Cambodia) Plc. ("**LOLC**")	
Securities Offered	LOLC Sustainability Bonds 1 ("**Sustainability Bonds 1**")	LOLC Sustainability Bonds 2 ("**Sustainability Bonds 2**")
Sustainability Quality Score	SQS3 (Good) –Second Party Opinion by Moody's Ratings 10 October 2025	
Currency Denomination	Denominated in Khmer Riel ("**KHR**")	
Settlement Currency	The Sustainability Bonds 1 shall be settled in US Dollar ("**US$**"). For the purpose of settlement, the KHR/US$ exchange rate of 4,000 riel per US$ is adopted and fixed from the Subscription Date until the termination of the Sustainability Bonds.	The Sustainability Bonds 2 shall be settled in KHR.
Term	Five (5) years with principal amortization 5 equal installment from month 36, 42, 48, 54, and 60	
Issue Amount	The sum of issue amount of the Sustainability Bonds together shall not exceed KHR 120 billion, equivalent to US$30 million	
Number of Bonds Offered	Up to 1,200,000 bonds	
Face Value	KHR 100,000 per bond	
Issue Price	100 percent of Face Value	
Coupon Rate (p.a.)	7.00%	
Status of the Sustainability Bonds	The Sustainability Bonds constitute unsubordinated and unsecured obligations of LOLC. The payment obligations of the Issuer under the Sustainability Bonds shall, subject to Clause 7.5 (Negative Pledge) and save for such exceptions as may be provided by applicable laws, rank pari passu and without any preference among themselves, and at least equally with all other unsecured and unsubordinated indebtedness of the Issuer, present and future, and rank ahead of all subordinated debt and the shareholder's equity of the Issuer.	
Subscription Date	10 August 2026 – 18 August 2026	
Issue Date	20 August 2026	
Maturity Date	20 August 2031	
Redemption Schedule	Redemption of the Sustainability Bonds in accordance with Appendix A of the Conditions.	
Payment Date	Semi-annually on 20 February and 20 August each year of the bond life, including the Maturity Date.	
Coupon Payment	The Sustainability Bonds will start to bear interest from the Issue Date, with coupon payable on each Payment Date. Semi-annual interest on the Sustainability Bonds will be calculated by multiplying the outstanding principal of the Sustainability Bonds at the beginning of each Coupon Period by one-half of the Coupon Rate, following the Actual/Actual ICMA day count convention.	

Coupon Calculation	Coupon in US$ = Outstanding principal in US$ × Coupon Rate ×1/2 Where outstanding principal in US$ is equal to outstanding principal in KHR divided by the pre-determined fixed exchange rate of 4,000 KHR/US$.	Coupon in KHR = Outstanding principal in KHR × Coupon Rate ×1/2
Day Count Fraction	Actual/Actual ICMA	
Issue Rating	khBBB by Rating Agency of (Cambodia) Plc.	
Use of Proceeds	20% of the net proceeds will be used for Eligible Green Projects, while the remaining 80% will be for Eligible Social Projects, in accordance with the Company's Sustainability Bond Framework	
Events of Default	Please refer to Clause 12	
Clearing System	Cambodia Securities Exchange ("**CSX**")	
Underwriter / Lead Manager	Yuanta Securities (Cambodia) Plc.	
Bondholders Representative	CANADIA Securities Co., Ltd.	
Registrar, Transfer Agent and Paying Agent	ACLEDA Bank Plc.	
Bondholders' Representative Agreement	The Bondholders' Representative Agreement will be entered into by the Issuer and the Bondholders' Representative. The Bondholders' Representative Agreement regulates the Bondholders' rights and obligations with respect to the Sustainability Bonds, and it shall be based on the SERC regulation.	
Taxation	All payment by the Issuer in respect of the Sustainability Bonds shall be made with deduction of any taxes or other duties, if such deduction is required by law. For avoidance of doubt, the Issuer is not subject to any tax gross-up, tax indemnity or similar obligations of any nature.	
Governing Law	These Conditions and the Sustainability Bonds are governed by and construed in accordance with the laws of Cambodia.	
Listing	The Sustainability Bonds are to be listed on the CSX.	
Bond Placement Method	Public Offering	
Listing/Start Trading Date	09 September 2026	
Documentation	The "Disclosure Document of LOLC" approved by the SERC	

TERMS AND CONDITIONS OF THE SUSTAINABILITY BONDS

The following is the full text of the terms and conditions (the "Conditions") of the **KHR 120 billion** (one hundred and twenty billion Khmer Riels) Sustainability Bonds issued by LOLC (Cambodia) Plc. ("**LOLC**" or the "**Issuer**") in 2026 and due in 2031 (the "**Sustainability Bonds**") under a resolution of the Board of Director of the Issuer adopted on 20 June 2025, with Canadia Securities Co., Ltd. as the Bondholders' Representative (as defined below). The Sustainability Bonds shall be issued and offered in reliance upon the SERC's Prakas no. 009/17 and the SERC's Prakas no. 016/17 (as defined below).

The Bondholders (as defined below) shall be entitled to the rights as prescribed in these Conditions and the Issuer and the Bondholders shall be bound by these Conditions in all respects.

In this regard, the Bondholders shall be deemed to have a thorough knowledge and understanding of the provisions of these Conditions and to have given their consent to the appointment of the Bondholders' Representative and to the terms and conditions of such appointment set out in the Bondholders' Representative Agreement (as defined below).

1. Definitions

The terms used in these Conditions shall have the following meanings:

"Adjusted Payment Date"	means the meaning in Clause 9.2 of the Conditions.
"Affiliate"	means, in relation to any person, (i) any entity controlled, directly or indirectly, by the person, (ii) any entity that controls, directly or indirectly, the person, or (iii) any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of a majority of the voting power of the entity or person.
"Bond Documents"	means (a) the Disclosure Document; (b) the Terms and Conditions; (c) the Bondholders' Representative Agreement; (d) the Registrar, Transfer and Paying Agent Agreement; (e) the Lead Manager Agreement; (f) any subscription form in respect of a Bond; and (g) any other supplemental agreement, prospectus or deed entered into between, amongst others, the Issuer and the Beneficiary setting out the final terms of the Sustainability Bonds.
"Bond Payment Account"	means bank account in the name of the Issuer at ACLEDA Bank Plc. for the purposes of making payments of Coupon and redemption amounts to the Bondholders in respect of the Sustainability Bonds.
"Bondholder(s)"	means any person who owns the Sustainability Bonds under Clause 4.2.
"Bondholders' Book"	means the Bondholders' book of the Sustainability Bonds, recording particulars of the Bondholders or other sources of registration information relating to the transfer, pledge, attachment, and other matters related to the Sustainability Bonds as required under the Registrar, Transfer Agent and Paying Agent Agreement and the relevant rules and procedures prescribed pursuant to the applicable rule under Cambodian laws.
"Bondholders' Representative Agreement"	means the Bondholders' Representative Agreement dated 5 August 2026 between the Issuer and the Bondholders' Representative and any subsequent amendment thereto, or the agreement appointing a new Bondholders' Representative to replace the existing Bondholders' Representative (if any) from time to time.

"Bondholders' Representative"	means Canadia Securities Co., Ltd. acting as Bondholders' Representative in respect of the Sustainability Bonds, or any successor appointed as the Bondholders' Representative in respect of the Sustainability Bonds from time to time in accordance with these Conditions and the Bondholders' Representative Agreement.
"Business Day"	means a day (other than a Saturday, Sunday, or public holiday) on which banks are open for general business in Phnom Penh.
"Calendar Day"	means a 24-hour day from midnight to midnight denoted on a calendar.
"Cambodia"	means the Kingdom of Cambodia.
"CIFRS"	means Cambodia International Financial Reporting Standard.
"Conditions"	means these terms and conditions setting out the rights and obligations of the Issuer and the Bondholders in respect of the Sustainability Bonds, as may be supplemented, amended or modified in accordance with the terms specified herein.
"Coupon Payment Date"	means 20 February and 20 August of each year; the first Coupon Payment Date shall be 20 February 2027 and the last Coupon Payment Date shall be the Maturity Date.
"Coupon Period"	means the period from and including the Issue Date up to but excluding the first Coupon Payment Date, and thereafter the period from and including any Coupon Payment Date up to but excluding the next Coupon Payment Date or the Maturity Date.
"Coupon Rate"	means the Interest Rate of the Sustainability Bonds as set out in Clause 8.1.1
"CSX"	means the Cambodia Securities Exchange.
"Default Interest Rate"	means the Coupon Rate plus 2 (two) percent per annum
"Due Date"	means, with respect to any payment under the Sustainability Bonds, the relevant Coupon Payment Date or the Maturity Date (as applicable), as adjusted to the Adjusted Payment Date in accordance with Clause 9.2, including any applicable grace period provided under Clause 10.2.
"Event of Default"	means any event specified as such in Clause 12 of the Conditions.
"ICMA"	means International Capital Market Association.
"Indebtedness"	means any obligation(s) (whether present or future, actual or contingent) for the payment or repayment of money borrowed and/or interest thereon.
"Issue Date"	means 20 August 2026, being the issue date of the Sustainability Bonds and from which, the interest starts to accrue.
"KHR"	means Riel, the lawful currency of the Kingdom of Cambodia
"Maturity Date"	means 20 August 2031.

"Minimum Subscription Amount"	has the meaning given to it in Clause 5.1 of the Conditions
"Non-Payment Event"	means Event of Default under Clause 12.1 (Non-payment) of the Conditions.
"Principal Amount"	means the outstanding principal amount in respect of the Sustainability Bonds at any time.
"Record Date"	means the date specified as such in Clause 6 of the Conditions.
"Register"	means the register or a source of registration information which records particulars relating to the Sustainability Bonds and the Bondholders, the transfer, pledge, attachment, and other matters related to the Sustainability Bonds.
"Registrar, Transfer Agent and Paying Agent"	means ACLEDA Bank Plc.
"Registrar, Transfer Agent and Paying Agent Agreement"	means the Registrar, Transfer Agent and Paying Agent Agreement dated 29 May 2026 between the Issuer and Registrar, Transfer Agent and Paying Agent and any subsequent amendment thereto, or any agreement appointing a new Registrar, Transfer Agent and Paying Agent to replace the existing Registrar, Transfer Agent and Paying Agent (if any) from time to time.
"Remedy Period"	has the meaning given to it in Clause 13.3 of the Conditions.
"Secondary Market"	means CSX and any other securities trading platform that are permitted by the SERC.
"SERC's Prakas no. 007/18"	means the Prakas no. 007/18 on Corporate Disclosure issued by the SERC.
"SERC's Prakas no. 009/17"	means the Prakas no. 009/17 on Public Offering of Debt Securities issued by the SERC.
"SERC's Prakas no. 016/17"	means the Prakas no. 016/17 on Implementation of the Listings Rules of Debt Securities issued by the SERC.
"SERC"	means the Securities and Exchange Regulator of Cambodia.
"Sustainability Bonds"	means Sustainability Bonds 1 and Sustainability Bonds 2 of LOLC.
"Trading Account"	means Bondholders' trading accounts under licensed securities firms, in accordance with the applicable laws.
"USD" or "US$"	means the United States Dollar, which is the official currency of the United States.

2. Form, Denomination, Settlement Currency, and Terms

2.1. The Sustainability Bonds will be issued in registered form and deposited with the securities depository operator of the CSX.

2.2. The Sustainability Bonds are denominated in KHR, with a nominal value of KHR 100,000 (one hundred thousand) each ("**Nominal Value**").

2.3. The settlement of the Sustainability Bonds 1 will be made in US$, using a pre-determined exchange rate of KHR 4,000 per US$, which shall be fixed from the Subscription Date until the termination of the Sustainability Bonds.

2.4. The settlement of the Sustainability Bonds 2 will be made in KHR.

2.5. The Sustainability Bonds have a tenor of five (5) years from the Issue Date, carrying coupon at the Coupon Rate.

2.6. On the Issue Date, the sum of number of the Sustainability Bonds together shall not exceed 1,200,000 (eight hundred thousand) units with an aggregate issue amount of KHR 120,000,000,000 (one hundred twenty billion) equivalent to US$30,000,000 (thirty million).

3. Status of the Sustainability Bonds

The Sustainability Bonds constitute unsubordinated and unsecured obligations of the Issuer. The payment obligations of the Issuer under the Sustainability Bonds shall, subject to 7.5 (Negative Pledge) and save for such exceptions as may be provided by applicable laws, rank *pari passu* and without any preference among themselves, and at least equally with all other unsecured and unsubordinated indebtedness of the Issuer, present and future, and rank ahead of all subordinated debt and the shareholder's equity of the Issuer.

4. Register and Bondholders

4.1. The Issuer has appointed ACLEDA Bank Plc. to act as the Registrar, Transfer and Paying Agent ("**RTP**") in respect of the Sustainability Bonds in accordance with the Registrar, Transfer Agent and Paying Agent Agreement. The RTP shall be obliged under the RTP Agreement to prepare and maintain the Register of the Sustainability Bonds until all of the Sustainability Bonds have been redeemed.

4.2. The rights in the Sustainability Bonds shall vest ultimately in the individuals or legal entities whose names appear in the Bondholder's Book maintained by the RTP on the relevant **Record Date** (the **"Bondholder"**), except in a case where an objection has been duly raised in accordance with applicable law.

5. Minimum Subscription and Transfers of Bonds

5.1. The subscription of the Sustainability Bonds in the primary market is eligible for any person with a Minimum Subscription Amount of KHR 40,000,000 (forty million) equivalent to USD 10,000 (ten thousand), which is determined at the discretion of the Issuer.

5.2. After being registered and listed on CSX, the Sustainability Bonds will become tradable on the Secondary Market and can be transferred among investors with a trading account at any securities firm in Cambodia. Such transfers shall be in compliance with the applicable regulations of the CSX, SERC and any other relevant regulatory authority and agency.

6. Record Date

6.1. Record Date for a Coupon and/or Principal Payment

For the purpose of Coupon and/or payments relating to Bonds redemption, the Register will be closed on the second Business Day prior to each Payment Date and the Maturity Date. The day is called a "**Payment Record Date**".

Payment of Coupon and/or payments relating to the Sustainability Bonds redemption or any other remuneration shall be made to the Bondholders as of the relevant Payment Record Date pursuant to the list provided to the Issuer by the Securities Transfer Agent.

6.2. Record Date for Bondholders' meeting and other purposes

For the purpose of bondholders' meeting or other purposes, the Register will be closed on the 14

(fourteenth) Calendar Day prior to any date fixed for any meeting of the Bondholders or any other date for any other purposes as specified in these Conditions and as notified by the Issuer to the Transfer Agent, the Bondholders' Representative and/or the Bondholders. Such a day is called a "**Bondholder Record Date**." If such a Record Date falls on a day that is not a Business Day, the Register shall be closed on the next Business Day, and in such case, the closed period of the Register shall be less than 14 (fourteen) Calendar Days.

The Issuer hereby reserves the right to change the date and time for the closure of the Register for bondholders' meeting or other purposes without the need to obtain consent from Bondholders, provided that such change must be approved by the SERC or any other relevant authorities.

7. Covenants of the Issuer

The Issuer undertakes to comply with the covenants set out in this Clause for as long as any Sustainability Bonds under these Conditions remain outstanding.

7.1. Appointment of Replacement of Bondholders' Representative

If it becomes necessary to replace the Bondholders' Representative, the Issuer shall appoint a replacement Bondholders' Representative as soon as practicable, but in any case no later than 90 (ninety) calendar days from the date on which the Issuer is aware of the event which requires the replacement of the Bondholders' Representative pursuant to Clause 17.2 below.

7.2. Information Covenant

7.2.1. In addition to the information disclosure as required by the SERC's Prakas no. 007/18 SERC/Pr.K. dated on 30 October 2018 on Corporate Disclosure and subsequent amendment thereto, and other applicable laws and regulations, the Issuer shall prepare annual audited financial statements in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than 90 (ninety) Calendar Days after the end of the financial year or at any appropriate date determined by the Director General of the SERC.

7.2.2. The Issuer shall prepare quarterly interim accounts reviewed by an SERC-accredited auditor in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than 45 (forty five) Calendar Days after the end of the relevant quarterly period or at any appropriate date determined by the Director General of the SERC.

7.2.3. The Issuer shall supply to the Bondholders Representative, in connection with the publication of its Interim Accounts pursuant to Clause 7.2.2, the Compliance Certificate with a copy of the interim accounts attached thereto. The Compliance Certificate shall be duly signed by the chief executive officer or the chief financial officer of the Issuer, certifying inter alia that the interim accounts are fairly representing its financial condition as at the date of those financial statements, and confirming its compliance with the Financial Covenant ratios pursuant to Clause 7.3 of these Conditions.

7.2.4. The Issuer shall procure that the financial reports delivered pursuant to Clause 7.2.1 and Clause 7.2.2 are prepared using CIFRS.

7.2.5. If, after the Issue Date, the submission period referred to above is changed under the applicable laws or regulations, the Issuer shall comply with the new submission period or requirements according to such amended applicable laws and regulations.

7.2.6. The Issuer shall promptly send a written notice to the Bondholders' Representative if it becomes aware of an occurrence of any event which constitutes an Event of Default or any event which would (with the giving of notice, lapse of time, determination of materiality or the fulfilment of any other applicable condition or any combination of the foregoing) constitute an Event of Default under these Conditions.

7.2.7. The Issuer shall report to the SERC and the Bondholders' Representative as promptly as possible

when there is a material adverse change to the Issuer's business or financial status.

7.3. Financial Covenants

The Issuer shall prudently manage its financial position in accordance with the banking regulations of the National Bank of Cambodia ("**NBC**") and any other relevant applicable law. Unless Bondholders and/or Bondholders' Representative and/or related competent regulator and/or authority otherwise agrees, and subject to the banking regulations, the Issuer shall at all times maintain, and abstain from any action which may result in the breach of, the following financial key ratios which shall be calculated and tested based on the reviewed quarterly accounts, and in accordance with the calculation method provided by the NBC (Annex I):

7.3.1. **Capital Adequacy Ratio**: the capital adequacy ratio shall be at all times at least equal to 15 (fifteen) percent and/or comply with limit set out by the NBC;

7.3.2. **Liquidity Coverage Ratio**: the liquidity coverage ratio shall be at least equal to 100 (one hundred) percent and comply with the threshold set out by the NBC's regulations;

7.3.3. **Related Party Exposure Ratio** shall be at all times not more than 10 (ten) percent of its net worth and it may vary from time to time in accordance with NBC's regulations which shall have the meaning as defined by NBC.

7.3.4. **Aggregate Large Exposure Ratio** shall be at all times not more than 300 (three hundred) percent of its net worth and it may vary from time to time in accordance with NBC's regulations which shall have the meaning as defined by NBC.

7.4. Maintenance of Listed Status

The Issuer shall use its reasonable efforts to maintain the listed status of the Sustainability Bonds on the CSX or the Secondary Market throughout the term of the Sustainability Bonds.

7.5. Negative Pledge

So long as any Sustainability Bond remains outstanding, the Issuer shall not create, incur, assume or permit to exist any lien, mortgage, pledge, security interest, charge or encumbrance of any kind on or with respect to its property or revenues, whether now owned or hereafter acquired, to secure its obligations under credit documents to which it is a party other than for short-term borrowing/revolving credit line/overdraft facilities for cash management purposes, provided that the aggregate outstanding amount of such facilities shall not exceed 10% (ten per cent) of the Issuer's outstanding gross loan portfolio.

7.6. AML/CTF Compliance

The Issuer shall comply with applicable anti-money laundering and counter-terrorism financing laws, regulations, and any applicable laws relating to proliferation financing, economic or trade sanctions including the laws or regulations implemented by the Office of Foreign Assets Controls of the United States Department of the Treasury, in connection with the performance of its obligation under the Conditions.

The Issuer further warrants that its performance under the Conditions will not violate sanctions laws, meaning those economic sanctions laws, regulations, embargoes, or restrictive measures administered or imposed by the United Nations Security Council, the United Kingdom, the United States of America, the European Union or its member states, or any other applicable jurisdiction in connection with the performance of its obligation under the Conditions.

8. Payment of Coupon

8.1. Coupon

8.1.1. Coupon Rate on LOLC Sustainability Bonds shall be 7.00% per annum paid semi-annually in

arrears on each Coupon Payment Date.

8.1.2. The Sustainability Bonds will start to accrue interest at the Coupon Rate in Clause 8.1.1 from the Issue Date, with coupon payable semi-annually in arrears on each Payment Date. Semi-annual interest on the Sustainability Bonds will be calculated by multiplying the outstanding principal of the Sustainability Bonds at the beginning of each Coupon Period by one-half of the Coupon Rate, following the Actual/Actual ICMA day count convention.

8.1.3. The outstanding principal in US$ of Sustainability Bonds 1 is calculated by dividing the outstanding principal in KHR by the pre-determined fixed exchange rate of 4,000 KHR/US$.

8.1.4. The Sustainability Bonds will cease to bear interest from the beginning of the Maturity Date unless, at the time of redemption, payment of the principal is improperly withheld or refused. In that event, interest shall continue to accrue on the outstanding principal amount of the Sustainability Bonds in accordance with Clause 8.1.5 until (but excluding) the date on which the amount of the redemption amount has been successfully settled.

8.1.5. If the Issuer fails to pay any amount payable (i.e. principal and/or interest payment or any other payment) as provided in these Conditions by the last day of the applicable grace period (the maximum grace period is 3 (three) Business Days) that follows the Due Date, interest accrued on the overdue amount which is due but unpaid from (but excluding) the last day of the applicable grace period until (but excluding) the date on which the full amount of the overdue amount together with such accrued interest has been successfully transferred to the Trading Accounts, shall be calculated at the Default Interest Rate.

9. Method, Time, and Place for Payment of Coupon and Principal

9.1. Payment of Coupon and/or redemption amounts shall be made by the Paying Agent to each Bondholder's Trading Account. If the details of a Trading Account are changed, the relevant Bondholder shall immediately notify in writing to the Issuer and the Paying Agent, and in any event – at least 10 (ten) Business Days prior to the relevant Coupon Payment Date.

9.2. Any payment under Sustainability Bonds (i.e. principal and/or interest payment or any other payment) to Bondholders shall be made on the Coupon Payment Date or Maturity Date. If any Coupon Payment Date or Maturity Date does not fall on a Business Day, the payment shall be made on the next following Business Day ("**Adjusted Payment Date**"). In case of potential technical errors faced by the Paying Agent including issues with cross-bank transfer (upon providing evidence), there shall be a grace period of 3 (three) Business Days from the Adjusted Payment Date for the actual payment to be made. In such cases, the Issuer shall not be liable for any additional interest or penalties arising from the postponement of such payment.

9.3. In the case of payment made later than the applicable grace period due to:

9.3.1. the Issuer fails to reserve cash to cover the payment in its Bond Payment Account with the Paying Agent as set out in the Registrar, Transfer Agent and Paying Agent Agreement, the Issuer shall pay the overdue amount together with accrued interest calculated in accordance with Clause 8.1.5.

9.3.2. the Paying Agent's negligence, the Bondholders are entitled to only enforce the amount due under the Conditions in the Registrar, Transfer Agent and Paying Agent Agreement against the Issuer. In this regard, the amount due to the Bondholders shall be distributed on a pro rata basis.

9.3.3. the event or cause beyond the reasonable control of the Issuer or Paying Agent affected by force majeure including—without limitation, fire, flood, explosion, landslide, epidemic, breakdown of or damage to equipment or facilities, strikes, labor disputes, war, sabotage, riot, insurrection, civil commotion, national emergency—neither the Issuer nor the RTP shall be required to make any additional coupon or penalties arising from the postponement of such payment caused directly by the force majeure.

10. Redemption and Repurchase of the Sustainability Bonds

The Sustainability Bonds shall be redeemed partially before and on the Maturity Date and in accordance with Appendix A and the terms of the Conditions.

11. Prescription Period

Any claim against the Issuer in relation to the payment of coupon or principal under a Sustainability Bond shall become void unless such claim is made within five (5) years from the time at which the Bondholders' Representative accelerates the payment of the Sustainability Bonds under Clause 13.2 below.

12. Events of Default

It shall be an event of default (an "**Event of Default**") under the Sustainability Bonds if any of the following events occurs and is continuing, in which case the Bondholders' Representative shall comply with Clause 13.2 to 13.5 below:

12.1. **Non-payment:** the Issuer fails to pay any amount of scheduled principal and coupon in respect of any of the Sustainability Bonds within 5 (five) Business Days of the Due Date for payment thereof. If the Issuer defaults in making a payment under any Sustainability Bonds to any Bondholder, if otherwise not apparent or clearly proven to the contrary, it shall be presumed that such defaults in payment have occurred to all the Sustainability Bonds;

12.2. **Breach of other obligations:** the Issuer does not perform or comply with any one or more of its other obligations under these Conditions and such default is not remedied within 30 (thirty) Calendar Days after notice of such default shall have been given to the Issuer by the Bondholders' Representative. Notwithstanding this remedy period, should any remedial action with respect to prudential requirements and ratios require approval from the National Bank of Cambodia, such 30 (thirty) Calendar Day remedy period shall be extended in order to allow such regulatory approvals to be granted but shall not exceed in any case 120 (one hundred and twenty) Calendar Days;

12.3. **Cross-Default:**

12.3.1. any other Indebtedness of the Issuer becomes due and payable prior to its stated maturity due to payment default, event of default or the like (howsoever described), or

12.3.2. any such Indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or

12.3.3. the Issuer fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any Indebtedness owed by the Issuer, and provided that the aggregate amount of the relevant Indebtedness (excluding any Indebtedness owed to, or guaranteed in favour of, any shareholder or affiliate of the Issuer) in respect of which one or more of the events mentioned above in this Clause 12.3 have occurred equals or exceeds KHR 10,000,000,000 (ten billion Khmer Riel);

12.4. **Enforcement proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or any material part of the assets of the Issuer and is not removed, dismissed or discharged within 90 (ninety) Calendar Days;

12.5. **Insolvency:** the Issuer:

12.5.1. is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts as they fall due, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its indebtedness,

12.5.2. begins negotiations or takes any other proceeding for the deferral, rescheduling or other readjustment of all or any material part of (or all of a particular type of) its indebtedness (or of any material part which it will otherwise be unable to pay when due) except for any such rescheduling of indebtedness which has been mandated by the National Bank of Cambodia or any other governmental authority,

or

12.5.3. proposes or makes a general assignment or an arrangement or scheme or composition with or for the benefit of its creditors;

12.6. **Winding-up:** any corporate action or legal proceeding is taken with a view to the winding-up (other than those of a frivolous or vexatious nature or those which are contested in good faith and, in each case, which are discharged within 90 (ninety) Calendar Days of their commencement), of the Issuer or for the appointment of a liquidator (including a provisional liquidator), administrator or similar officer of the Issuer or over all or any material part of the assets of the Issuer (except for the purpose of a reconstruction or reorganisation);

12.7. **Authorization and Consents:** any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Sustainability Bonds and these Conditions, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Sustainability Bonds and these Conditions admissible as evidence in the courts of Cambodia is not taken, fulfilled or done;

12.8. **Cessation**: the issuer ceases to conduct its businesses, restrained or in any way prevented by any supervising authority and/or court from conducting all or any material part of its business and such injunction, restraint or other preventive order is not dismissed within 90 (ninety) Calendar Days after the entry thereof;

12.9. **Nationalization:** any competent state authority nationalizes, seizes, or otherwise assumes custody or control of all or any material part of the business, operations, properties, or other assets of the Issuer or of the Issuer's share capital, or take any action for the dissolution of the Issuer or any action that would prevent the Issuer or its officers from carrying on all or any material part of its business or operations; or

12.10. **Illegality:** it is unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Sustainability Bonds or these Conditions.

13. Acceleration of the Sustainability Bonds

13.1. For the purpose of clarity, the Issuer hereby acknowledges and agrees that there is no provision under these Conditions or any other documents relating to the Sustainability Bonds which allow the Issuer to accelerate the Sustainability Bonds at its instigation.

13.2. Acceleration Steps

If any Event of Default occurs and is continuing, the Bondholders' Representative shall deliver a default notice to the Issuer and the Bondholders informing them of the occurrence of such Event of Default within 5 (five) Business Days. If the Issuer defaults in making a payment under any Sustainability Bonds to any Bondholder, if otherwise not apparent or clearly proven to the contrary, it shall be presumed that such defaults in payment have occurred to all the Sustainability Bonds.

Without prior consent of the Bondholders, the Bondholders' Representative shall not take steps to declare all Sustainability Bonds to be or become immediately due and payable, or payable on an accelerated basis under the Bond Documents (an "**Acceleration Step**") other than if the Non-Payment Event has occurred and continued and the Issuer has failed to pay the overdue amount together with the accrued default interest in full within the **Remedy Period**.

13.3. Acceleration Upon the Occurrence of the Non-Payment Event

Upon the occurrence of the Non-Payment Event, the Bondholders' Representative shall, within five (5) Business Days of becoming aware of such event:

(a) Notify the Issuer in writing of the occurrence of the Non-Payment Event; and

(b) Notify each Bondholder of the same in accordance with the notice provisions herein.

The Issuer shall have a period of thirty (30) Calendar Days from the date of the Non-Payment Event (the **"Remedy Period"**) to cure such non-payment. During the Remedy Period, the overdue amount shall accrue default interest at the Default Interest Rate pursuant to Clause 8.1.5.

If, upon the expiry of the Remedy Period, the Issuer has failed to pay the overdue amount together with the accrued default interest in full, the Bondholders' Representative shall automatically and without further notice or instruction from the Bondholders take Acceleration Steps pursuant to Clause 13.2.

13.4. Acceleration Upon the Occurrence of the Event of Default Other than the Non-Payment Event

Upon the occurrence of an Event of Default other than the Non-Payment Event, the Bondholders' Representative shall:

(a) Notify the Bondholders within 05 (five) Business Days;

(b) Convene a meeting of Bondholders upon their written request;

(c) Take Acceleration Steps pursuant to Clause 13.2 if the Bondholders representing at least 75% of the total Principal Amount instruct the Bondholders' Representative in writing to accelerate the Bonds, or if the Bondholders' Representative has received a resolution of the Bondholders' meeting;

(d) If the Bondholders' Representative has not taken an Acceleration Step within the following 30 (thirty) Calendar Days, each Bondholder shall be entitled to commence legal action directly against the Issuer in order to enforce the debt owed to it pursuant to the Sustainability Bonds.

13.5. Distribution of Payments Upon Acceleration

Upon an acceleration of the Sustainability Bonds in accordance with the Conditions, all principal, coupon and any other amounts received from the Issuer by the Bondholders' Representative under the Sustainability Bonds shall be applied in the following order of priority:

(a) firstly, the payment of all costs, expenses and liabilities incurred by the Bondholders' Representative in performing its duties and obligations in respect of the Sustainability Bonds in accordance with the Conditions and the Bondholders' Representative Agreement;

(b) secondly, the remuneration of the Bondholders' Representative in respect of the Sustainability Bonds pursuant to the Bondholders' Representative Agreement;

(c) thirdly, the coupon of the Sustainability Bonds accrued and unpaid up to the date of payment;

(d) fourthly, the outstanding amount of the principal of the Sustainability Bonds; and

(e) finally, the balance (if any) to be paid to the Issuer without unreasonable delay.

14. Taxation

The Coupon Rates stated herein are inclusive of any applicable withholding tax on coupon. Bondholders shall receive coupon payments net of any such withholding tax, which will be deducted by the Issuer or Paying Agent in accordance with the applicable laws. The Issuer and Paying Agent shall have no obligation to gross up or otherwise reimburse Bondholders for any amounts withheld.

15. Meeting of Bondholders

The meeting of Bondholders shall follow the Bondholders' Meeting Rules attached as Appendix B of the Conditions.

16. Powers, Duties and Authority of the Bondholders' Representative

Powers, duties and authority of the Bondholders' Representative are provided in the Bondholders' Representative Agreement.

17. Appointment and Replacement of the Bondholders' Representative

17.1. The Issuer has appointed Canadia Securities Co., Ltd., which has all the qualifications as required by the SERC's regulation to act as Bondholders' Representative and has received the necessary approvals from relevant government agencies including the SERC to perform its duties and functions under these Conditions and the Bondholders' Representative Agreement. The Bondholders shall be deemed to have given their consent to the Issuer for the appointment of Canadia Securities Co., Ltd. as Bondholders' Representative and to have ratified any action the Bondholders' Representative may have done for or on behalf of the Bondholders prior to and after the Issue Date or the subscription or accepting the transfer of the Sustainability Bonds.

17.2. A replacement of Bondholders' Representative is required if:

(a) the Bondholders' Representative lacks the requisite qualifications to act as Bondholders' Representative and the Bondholders' Representative is unable to obtain the requisite qualifications to act as the Bondholders' Representative within 60 (sixty) Calendar Days from the date that the Bondholders' Representative becomes aware of its lack of the qualifications; or

(b) a Bondholders' meeting resolves to revoke the appointment of the Bondholders' Representative in accordance with the Conditions; or

(c) meeting of Bondholders resolves to replace the Bondholders' Representative as the meeting considers that the Bondholders' Representative has not performed its duties professionally or efficiently; or

(d) the Issuer terminates the appointment of the Bondholders' Representative according to the procedures specified in the Bondholders' Representative Agreement.

17.3. If a replacement of the Bondholders' Representative is required under Clause 17.2, the Bondholders' Representative or the Issuer shall either:

(a) call a meeting of Bondholders to pass a resolution approving a replacement of Bondholders' Representative and the appointment of another person nominated by the Issuer to assume the duties of Bondholders' Representative; or

(b) issue a written request to each Bondholder for approval of a replacement of the Bondholders' Representative and the appointment of another person nominated by the Issuer to assume the duties of Bondholders' Representative. If no Bondholders whose individual or aggregate holdings amount to more than twenty five (25) % of the total number of units of unredeemed Sustainability Bonds have filed a written objection within a period of 30 (thirty) Calendar Days from the date of issue of the written request by the Issuer, it shall be deemed that all the Bondholders have given approval for a replacement of the Bondholders' Representative from the current incumbent to the person nominated by the Issuer in such written request.

If a replacement of Bondholders' Representative is required under these Conditions for whatever reason, the existing Bondholders' Representative must continue to perform its duties to protect the interests of Bondholders in accordance with these Conditions until the new Bondholders' Representative assumes its duties as Bondholders' Representative.

17.4. The Issuer shall request approval from the SERC for a replacement of Bondholders' Representative pursuant to any relevant notifications and laws which are in force for the time being. After the Issuer has completed arrangements regarding appointment of the new Bondholders' Representative, the Issuer shall notify the Bondholders of such appointment within 30 (thirty) Calendar Days and the existing Bondholders' Representative shall without delay hand over the assets, and all relevant documents to the newly-appointed Bondholders' Representative and fully provide its cooperation to the newly-appointed Bondholders' Representative to ensure an orderly transition and enable the assumption of duties by the

newly-appointed Bondholders' Representative.

18. Amendment to the Conditions

18.1. Subject to the applicable laws and regulations, any amendment to these Conditions require the approval of the Issuer, the SERC and the Bondholders' Representative (acting upon the resolution of Bondholders' meeting), provided that, in each case, the amendments made in accordance with Clause 18.1.1, 18.1.2, and 18.1.3 below shall not require any resolution of the Bondholders' meeting:

18.1.1. any amendment or modification of these Conditions and/or any agreement relating to the Sustainability Bonds in any respect that the Bondholders' Representative deems to be beneficial to the Bondholders or in a manner that would not materially prejudice the Bondholder's rights, may only be made if the Bondholders' Representative receives written approval from Bondholders holding at least 51% (fifty one per cent) of the value of the Sustainability Bonds;

18.1.2. any amendment or modification of these Conditions and/or any agreement relating to the Sustainability Bonds in order to correct any manifest errors or to ensure they are in compliance with any mandatory provision of applicable laws, shall not require any consent of the Bondholders' meeting; and

18.1.3. any agreement to any waiver, exemption or authorisation of any breach or proposed breach, of any provisions of these Conditions (including, but not limited to Clause 12) that is in the opinion of the Bondholders' Representative not materially prejudicial to the interest of the Bondholders, may only be made if the Bondholders' Representative receives written approval from Bondholders holding at least 51% (fifty-one per cent) of the value of the Sustainability Bonds;

18.2. The Bondholders' Representative must deliver copies of the amended Conditions and other relating documents (if any) to the Issuer, the Securities Transfer Agent, the SERC and the CSX within 15 (fifteen) Calendar Days from the effective date of such amendment and to the Bondholders upon written request.

19. Notices

19.1. Notices to the Issuer will be deemed to be validly given:

19.1.1. if sent by private international courier will be deemed to have been validly given on the (03) third day after the date it is mailed;

19.1.2. if sent by hand, at the time of delivery;

19.1.3. if posted from a country other than that of the addressee, on the seventh Business Day after the date it is posted; and

19.1.4. if given or made by email, immediately provided that, following the delivery, the sender's email produces a delivery confirmation report, confirming successful delivery of the email.

19.2. Neither the failure to give notice nor any defect in any notice given to any particular Bondholder shall affect the sufficiency of any notice with respect to other Bondholders.

THE ISSUER

LOLC (CAMBODIA) PLC.

Address: #666B, Street 271, Kbal Tumnub Muoy Village, Sangkat Boeng Tumpun 2, Khan Mean Chey, Phnom Penh, Cambodia

Telephone: +855 (0) 23 991 991

Attention: Mr. Sok Voeun, Chief Executive Officer

19.3. Language

All notices and communications to be made to the Issuer in relation to the Sustainability Bonds and these Conditions shall be made in Khmer or English language, unless as otherwise required under the applicable laws or any other agreement, in which case an English translation thereof shall be provided to the Issuer.

20. Effectiveness of the Conditions and the Applicable Laws

20.1. Effectiveness of the Conditions

These Conditions shall take effect from the Issue Date of the Sustainability Bonds until the date on which all the Sustainability Bonds are redeemed, cancelled or Issuer's obligations have otherwise been discharged, whichever event occurs earlier.

20.2. Governing Law

20.2.1. These Conditions of the Sustainability Bonds shall be governed by and interpreted in accordance with the laws of Cambodia. If any provision of these Conditions is discrepancy or inconsistent with the provisions of any applicable laws or the SERC regulations which are applicable to the Sustainability Bonds under the law, the provisions of such applicable to the Sustainability Bonds shall supersede only the parts of these Conditions which give to such discrepancy or inconsistency.

20.2.2. Any dispute arising out of or in connection with these Conditions, including any question regarding its existence, validity, performance or termination, shall be referred to and finally resolved by arbitration administered by the National Commercial Arbitration Centre of the Kingdom of Cambodia in accordance with the Arbitration Rules of the National Commercial Arbitration Centre ("NCAC Arbitration Rules") being in force at the time of commencement of arbitration, and by reference in this clause, the NCAC Arbitration Rules are deemed to be incorporated as part of these Conditions. The Tribunal shall consist of 3 (three) arbitrators. One arbitrator shall be appointed by the Issuer, one arbitrator shall be appointed by the Bondholders' Representative (acting on behalf of the Bondholders), and the third arbitrator, who shall act as the Presiding Arbitrator of the Tribunal, shall be appointed by the two party-appointed arbitrators. If the two party-appointed arbitrators fail to agree upon the third arbitrator within 30 days of the appointment of the second arbitrator, the third arbitrator shall be appointed by the President of the NCAC. The language of the arbitration shall be English.

20.2.3. Notwithstanding Clause 20.2.2, nothing in these Conditions shall limit the right of the Bondholders' Representative and/or the Bondholders (when entitled to do so) to commence any legal action against the Issuer and/or its assets in any other jurisdiction or to serve process in any manner permitted by law, and the taking of proceedings in any jurisdiction shall, to the full extent permitted by applicable laws of the relevant jurisdictions, not preclude the Bondholders' Representative and/or the Bondholders from taking proceedings in any other jurisdiction whether concurrently or not.

20.2.4. In the case where the Issuer has acquired or will subsequently acquire immunity from the proceedings in respect of itself or its property, the Issuer waives such immunity, except immunity in respect of its property used for diplomatic or consular missions, property of a military nature, and property located in its territory and dedicated to a public or governmental use as distinguished from the property dedicated to commercial use.

These Conditions are made on 5 August 2026 and shall be effective from the Issue Date.

Issuer
LOLC (Cambodia) Plc.

By: Sok Voeun

Title: Chief Executive Officer

APPENDIX A: REDEMPTION AND REPURCHASE OF THE SUSTAINABILITY BONDS

1.1. ***Partial Redemptions***

The Sustainability Bonds shall be partially redeemed before and on the Maturity Date and in accordance with the following conditions:

1.1.1. **Redemption Schedule:** A portion of all the Sustainability Bonds shall be redeemed at the following date ("**Redemption Date**"). The total number of Sustainability Bonds to be redeemed at any Redemption Date shall be determined by the percentage (as indicated in the table below) of the total outstanding Sustainability Bonds prior to that Redemption Date.

No.	Redemption Date	% of Outstanding Sustainability Bonds
1	20 February 2027	0.0000%
2	20 August 2027	0.0000%
3	20 February 2028	0.0000%
4	20 August 2028	0.0000%
5	20 February 2029	0.0000%
6	20 August 2029	20.0000%
7	20 February 2030	25.0000%
8	20 August 2030	33.3333%
9	20 February 2031	50.0000%
10	20 August 2031	100.0000%

1.1.2. **Number of Sustainability Bonds to be Redeemed:** For each Bondholder, the number of such Sustainability Bonds to be redeemed shall be determined in accordance with the outstanding number of such Sustainability Bonds registered in the name of each Bondholder just prior to each Redemption Date. For each bondholder, if the result of multiplication is less than 1 (one) Bond, it shall be rounded to the nearest integer.

1.1.3. **Bonds Due on Redemption Date:** All the Sustainability Bonds so called for redemption shall become due and payable at the Nominal Value on the Redemption Date in the same manner and with the same effect as if it were the Maturity Date. After each Redemption Date, if the moneys necessary to redeem such Sustainability Bonds shall have been paid in accordance with Clause 9 *(Method, Time, and Place for Payment of Coupon and Principal)*, such Sustainability Bonds shall not be considered as outstanding hereunder and coupon upon such Sustainability Bonds shall cease.

1.2. ***Purchase of Sustainability Bonds by the Issuer***

The Issuer may at any time purchase the Sustainability Bonds in any open market or otherwise and at any price. The Sustainability Bonds repurchased by the Issuer as specified above shall be cancelled in accordance with Clause 1.3 below. As long as such acquired Sustainability Bonds are held by the Issuer, such Sustainability Bonds shall not entitle the Issuer to vote at any meeting of the Bondholders and shall not be deemed to be outstanding for the purpose of calculating a quorum with respect to meetings of the Bondholders.

1.3. *Cancellation*

The Sustainability Bonds that are redeemed or repurchased by the Issuer must be cancelled and may not be re-issued or resold. In this regard, the Issuer shall advise the Registrar to cancel the Sustainability Bonds, and also inform any relevant authorities in writing of the repurchase and cancellation of the Sustainability Bonds in accordance with the applicable laws and regulations.

APPENDIX B: BONDHOLDERS MEETINGS

1. Calling Meetings

If the Issuer or the Bondholders' Representative (as the case may be), wishes to call a meeting of the Bondholders, it must arrange for the Securities Transfer Agent to send notices calling the meeting by registered email and/or mail to the Issuer, the Bondholders' Representative and the Bondholders not less than 10 (ten) Calendar Days (excluding the date the notice is sent and the date of the meeting) before the date of the meeting. The notice calling the meeting must specify the date, time and place of the meeting, agenda of the meeting and the person requesting that the meeting be called. The Securities Transfer Agent must send the notice calling the meeting of Bondholders to every Bondholder according to the names and addresses that appear in the Bondholders' Book as at the Record Date.

2. Persons with the right to attend a meeting

The following persons have the right to attend a meeting of Bondholders:

(a) the Bondholders, the Issuer, and the Bondholders' Representative;

(b) any person or other Bondholder approved by a Bondholder as a proxy ("proxy") to attend the meeting and vote on their behalf under an instrument for appointing a proxy in the form prescribed by the Securities Transfer Agent (available at the head office of the Securities Transfer Agent). A Bondholder who wishes to appoint a proxy must submit the original instrument appointing his proxy to the Securities Transfer Agent not less than 24 (twenty-four) hours before the time appointed for holding of a meeting of Bondholders;

(c) a financial advisor, legal adviser or other person who has been requested by the Issuer and/or the Bondholders' Representative to attend the meeting to give any explanation and opinion to the meeting on matters to be transacted at the meeting; and

(d) any persons permitted by the chairman of the meeting to attend the meeting as observers.

3. Quorum

3.1 At a meeting of Bondholders to consider and pass resolutions on matters other than those specified in Clauses 6.3, 6.4, and 6.5 of these Rules, there must be 2 (two) or more Bondholders holding an aggregate number of not less than 51 (fifty-one) % of the total number of units of outstanding Sustainability Bonds attending the meeting to constitute a quorum. If a meeting of Bondholders to consider matters under this Clause 3.1 is postponed under Clause 5.1 of these Rules due to a lack of a quorum, a quorum at the subsequent meeting shall be constituted if 2 (two) or more Bondholders holding an aggregate number of not less than 25 (twenty-five) % of the total number of units of outstanding Sustainability Bonds attend at that meeting.

3.2 At a meeting of Bondholders to consider and pass resolutions on the matters specified in Clause 6.3 of these Rules, there must be 2 (two) or more Bondholders holding an aggregate number of not less than 66 (sixty-six) % of the total number of units of outstanding Sustainability Bonds attending the meeting to constitute a quorum. If a meeting of Bondholders to consider matters under this Clause 3.2 is postponed under Clause 5.1 of these Rules due to a lack of a quorum, a quorum at the subsequent meeting shall be constituted if 2 (two) or more Bondholders holding an aggregate number of not less than 33 (thirty-three) % of the total number of units of outstanding Sustainability Bonds attend at that meeting.

3.3 At a meeting of Bondholders to consider and pass resolutions on the matters specified in Clause 6.4 and 6.5 of these Rules, there must be 2 (two) or more Bondholders holding an aggregate number of not less than 75 (seventy-five) % of the total number of units of outstanding Sustainability Bonds attending the meeting to constitute a quorum. If a meeting to consider matters under this Clause 3.3 is postponed under Clause 5.1 of this Rules due to a lack of a quorum, a quorum at the subsequent meeting shall be constituted if 2 (two) or more Bondholders holding an aggregate number of not less than 45 (forty-five) % of the total number of units of outstanding Sustainability Bonds attend at that meeting.

4. Chairman of a meeting

The Bondholders' Representative or the person authorized by the Bondholders' Representative shall be the chairman of the meeting. If the person acting as the chairman has not attended the meeting 45 (forty-five) minutes after the time appointed to hold the meeting, 51 (fifty-one) % of the total number of units of outstanding Sustainability Bonds attending the meeting shall resolve to select one Bondholder to act as chairman of the meeting.

5. Postponement of a meeting

5.1 At any meeting of Bondholders, if it appears that a quorum of Bondholders is not present within 90 (ninety) minutes after the time appointed for holding the meeting, the chairman of the meeting shall postpone the meeting of Bondholders to be held at a date, time and place specified by the chairman, whereby the date for the new meeting must be scheduled not less than 14 (fourteen) Calendar Days but not more than 30 (thirty) Calendar Days from the original meeting date. In addition, the matters to be transacted and resolved in this subsequent meeting must be limited to the matters which were to be duly transacted in the original meeting.

5.2 The Securities Transfer Agent must send a notice calling a subsequent meeting due to a postponement of a meeting caused by a lack of a quorum pursuant to Clause 5.1 of these Rules to the Issuer, the Bondholders' Representative and the Bondholders according to the names and addresses, to which the previous notices calling the meeting of Bondholders were sent, not less than 10 (ten) Calendar Days prior to the scheduled date for the subsequent meeting (excluding the date the notices were sent and the date of the meeting), and the notice calling the meeting must specify the date, time, place for the meeting, agenda and quorum for such subsequent meeting.

5.3 If subsequent meeting does not meet Quorum (Clause 3 above), the chairman shall order that subsequent meeting be cancelled and there shall be no postponement of that subsequent meeting.

6. Resolutions of a meeting

6.1 The passing of resolutions on various matters at a meeting of Bondholders shall be made by a show of hands or voting by means specified by the chairman of the meeting. Each unit of outstanding Sustainability Bonds held by a Bondholder shall have one vote. Each Bondholder shall therefore have the same number of votes as the number of units of outstanding Sustainability Bonds held by him. Voting in favour of a resolution shall be the votes corresponding to all Bondholders present in person or by proxy LESS (a) the votes corresponding to the Bondholders present in person or by proxy stating their vote against or in blank or abstain by communication or statement of their vote, and (b) the total number of votes of the Bondholders who have conflicting interest against said resolution, if any. In the case of a tied vote, the chairman of the meeting shall have a casting vote (in addition to any vote entitled to be cast by the chairman as a Bondholder or as a proxy).

6.2 Except as provided in Clauses 6.3, 6.4, and 6.5 of these Rules, the resolutions of the meeting of Bondholders, shall be passed by a majority vote which is more than 50 (fifty) % of the total number of votes of the Bondholders attending the meeting and casting their votes LESS the total number of votes of the Bondholders who have conflicting interest against said resolution, if any.

6.3 Any resolutions of the meeting of Bondholders on the following matters must be passed by a vote of not less than 66 (sixty-six) % of the total number of votes of the Bondholders attending the meeting and casting their votes LESS the total number of votes of the Bondholders who have conflicting interest against the resolution, if any:

(a) any amendment of the Conditions other than in respect of the matters specified in Clause 6.4 of these Rules and/or in respect of an amendment or modification to the Conditions described in Clauses 18.1.1 to 18.1.3 of the Conditions; and

(b) any change to the Bondholders' Representative and the appointment of any person as a new Bondholders' Representative.

6.4 Any resolutions of the meeting of Bondholders on the following matters must be passed by a vote of not less than 75 (seventy-five) % of the total number of votes of the Bondholders attending the meeting and casting their votes LESS the total number of votes of the Bondholders who have conflicting interest against

the resolution, if any:

(a) a change in the currency denomination of any amount of money to be paid under the Sustainability Bonds;

(b) an amendment to the rules regarding meetings of Bondholders relating to the quorum requirements (Clause 3 of these Rules) and resolutions of meetings (Clause 6 of these Rules); and

(c) an amendment of the Conditions in order to be able to effect any matter contemplated under Clause 6.4 (a) and (b) above.

6.5 Any resolutions of the meeting of Bondholders on the following matters must be passed by a unanimous vote of the Bondholders attending the meeting and casting their votes LESS the total number of votes of the Bondholders who have conflicting interest against the resolution, if any:

(a) the amendment of the due date for payment of any amount of money under the Sustainability Bonds;

(b) the reduction, cancellation or amendment of the amount of principal, interest and/or any other amount of money outstanding or to be paid under the Sustainability Bonds;

(c) the Bondholders Representative's acceleration following the occurrence of the Event of Default other than Non-Payment Event; and

(d) following the occurrence of an Event of Default, any authorisation of the Bondholders' Representative to require the Issuer to make payment of the principal together with all accrued interest under all of the Sustainability Bonds under the Conditions, as stated under Clause 8.1.5 of the Conditions.

6.6 Any Bondholder who has a conflict of interest on any matter shall have no right to vote on such matter.

7. Minutes of a meeting of Bondholders

The Bondholders' Representative must prepare the minutes of a Bondholders' meeting to be signed by the chairman of such meeting within 7 (seven) Business Days from the date of the meeting and must maintain the original minutes. The minutes of the Bondholders' meeting must be prepared in Khmer and English. Copies of the minutes of a Bondholders' meetings shall be made available to be examined by the Bondholders at the head office of the Bondholders' Representative on a Business Day and time suitable to the Bondholders' Representative.

PROXY LETTER
(For Individual Bondholder)

Date: _____

Investor ID No. issued by SERC: _____

I, _____, _____, holding ID/Passport No. _____ Issued on _____, and residing at No. _____, being bondholder as the date of _____, holding _____ Bonds in the _____, an issued company incorporated under the laws of the Kingdom of Cambodia, hereby appoint:

Mr/Ms., _____, Nationality _____, holding ID/Passport No. _____ issued on _____, and residing at No. _____ to act as my representative to:

Participate and process other relevant documents needed to be filed in the Meeting of Bondholders of _____, which will be held on _____ or such other time, date and place as the meeting may be held.

Any acts performed by this proxy letter in Meeting of Bondholders shall be deemed to be the actions performed by myself.

IN WITNESS of the above, I hereby confirm the above on the date written below.

BONDHOLDER

_____
Signature and Name
Date:

PROXY

_____
Signature and Name
Date:

CONFIDENTIAL

PROXY LETTER
(For Institutional Bondholder)

Date: _____

Investor ID No. issued by SERC: _____

I, _____, _____, holding ID/Passport No. _____ Issued on _____, and residing at No. _____, being legal representative of _____; bondholder as the date of _____, holding _____ Bonds in the _____, an issued company incorporated under the laws of the Kingdom of Cambodia, hereby appoint:

Mr/Ms., _____, Nationality _____, holding ID/Passport No. _____ issued on _____, and residing at No. _____ to act as my representative to:

Participate and process other relevant documents needed to be filed in the Meeting of Bondholders of _____, which will be held on _____ or such other time, date and place as the meeting may be held.

Any acts performed by this proxy letter in Meeting of Bondholders shall be deemed to be the actions performed by myself.

IN WITNESS of the above, I hereby confirm the above on the date written below.

BONDHOLDER
(LEGAL REPRESENTATIVE)

_____
Signature, Name and Company Seal
Date:

PROXY

_____
Signature and Name
Date:

CONFIDENTIAL

LOLC (CAMBODIA) PLC.

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

Corporate information

Company	LOLC (Cambodia) Plc.
Registration No.	00012829
Registered office	Building No. 666B, Street 271 Sangkat Boeung Tumpun 2 Khan Mean Chey, Phnom Penh Kingdom of Cambodia
Shareholders	LOLC Asia Private Limited TPC-ESOP Co., Ltd.
Board of Directors	Mr. Brindley Chrishantha Gajanayake de Zylva, Chairman Mr. Indrajith Wijesiriwardana, Member Mr. Chitral Nalin Wijesinha, Member Mr. Dulip Rasika Samaraweera, Member Mr. Francisco Kankanamalage Conrad Prasad Nirosh Dias, Member
Executive committee	Mr. Sok Voeun, Chief Executive Officer Mr. Sok Sophal, Deputy Chief Executive Officer/Chief Finance Officer Mr. Damburae Liyanage Duleep Roshan, Chief Information Officer Mrs. Svoeuy Sodyna, Chief Risk Officer Mr. Perera Hewa Ambepitiyage Chanaka Romesh, Chief Channel Officer Mrs. Chheang Kagna, Chief Digital Financial Services and Deposit Officer Mrs. Leng Thavy, Head of Human Resources Department Mrs. Keo Taraty, Head of Finance Department Ms. Try Sola, Head of Treasury Department Mr. Bun Bella, Head of Information Technology Department Mr. Phai Phalla, Head of Marketing (resigned 31 March 2024) Mr. Soy Dollar, Deputy Head of Marketing (appointed 1 April 2024) Mr. Teng Pheap, Head of Internal Audit Department Mrs. Srun Houng, Head of Legal and Compliance Department (resigned on 15 January 2025) Ms. Hoeng Lyhuong, Acting Head of Legal and Compliance Department (appointed on 16 January 2025) Mr. Nuth Theng, Head of Business Department (resigned on 30 April 2024) Mr. Chann Savoeung, Head of Business Department (appointed on 1 July 2024) Mr. Muth Pisey, Head of Credit Department Mr. Thong Rithy, Head of iPay Sale and Digital Business Department (resigned on 2 September 2024) Mrs. Inn Sreyrath, Head of Digital Banking Department (appointed on 14 January 2025) Mr. Va Sok Oun, Head of Administration and Procurement Department (resigned on 19 February 2025) Mr. Tun Korng, Deputy Head of Credit Department
Auditors	KPMG Cambodia Ltd

LOLC (Cambodia) Plc.

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Report of the Directors

The Board of Directors ("the Directors") hereby submits their report together with the audited financial statements of LOLC (Cambodia) Plc. ("the Company") for the year ended 31 December 2024.

Principal activities

The principal activity of the Company is to provide micro-finance services ("deposit-taking and lending") to the rural population, micro-enterprises and small and medium enterprises through its head office in Phnom Penh and its various branches in the Kingdom of Cambodia. Its corporate objective is to provide reliable and affordable access to financial services to micro-entrepreneurs and small and medium enterprises.

Financial results

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

	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Profit before income tax	205,537,202	339,091,115	50,488,137	82,503,922
Income tax expense	(42,693,330)	(69,005,113)	(10,487,185)	(16,789,565)
Profit for the year	162,843,872	270,086,002	40,000,952	65,714,357

Dividends

On 14 February 2024, the Board of Directors approved for a dividend to be paid to its shareholders amounting to KHR53,895,930 thousand (2023: KHR10,096,982 thousand). The dividend distribution was approved by the National Bank of Cambodia on 18 April 2024 and was paid to the shareholders on 16 May 2024.

Share capital

The total number of authorised share capital of the Company as at 31 December 2024 was 4,243,774 shares (2023: 4,243,774 shares) with a par value of KHR100 thousand per share (2023: KHR100 thousand). Refer to Note 23 for details.

Reserves and provisions

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

Head Office
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P (+855) 23 991 991 | info@lolc.com.kh | www.lolc.com.kh

Expected credit losses on loans and advances

Before the financial statements of the Company were prepared, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad loans and advances and 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 Directors are 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 Company, inadequate to any material extent.

Assets

Before the financial statements of the Company were drawn up, the Directors took reasonable steps to ensure that any assets which were unlikely to be realised in the ordinary course of business at their value as shown in the accounting records of the Company 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 Directors are not aware of any circumstances, which would render the values attributed to the assets in the financial statements of the Company misleading in any material respect.

Valuation methods

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

Contingent and other liabilities

At the date of this report, there is:

(a) no charge on the assets of the Company 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 Company that has arisen since the end of the financial year other than in the ordinary course of banking business.

No contingent or other liability of the Company has become enforceable, or is likely to become enforceable within a period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may have a material effect on the ability of the Company to meet its obligations as and when they become due.

Change of circumstances

At the date of this report, the Directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Company, 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 Company for the financial year were not, in the opinion of the Directors, materially affected by any items, transactions or events of a material and unusual nature. There has not arisen in the interval between the end of the financial year and the date of this report any items, transactions or events of a material and unusual nature likely, in the opinion of the Directors, to substantially affect the results of the operations of the Company for the year in which this report is made.

Subsequent events

On 18 November 2024, the Company submitted a request letter to the NBC for investment in equity of Serendib Micro Insurance Plc. amounting to US$1,000,000 equivalent to 25% of Serendib Micro Insurance Plc.'s total share capital. Subsequently, the request was approved by the NBC on 6 January 2025.

The Board of Directors

The Board of Directors of the Company during the financial year and up to the date of this report are:

Mr. Brindley Chrishantha Gajanayake de Zylva	Chairman
Mr. Indrajith Wijesiriwardana	Member
Mr Chitral Nalin Wijesinha	Member
Mr. Dulip Rasika Samaraweera	Member
Mr. Francisco Kankanamalage Conrad Prasad Nirosh Dias	Member

Directors' interests

None of the Directors held or dealt directly or indirectly in the shares of the Company during the financial year.

Directors' benefits

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

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

LOLC (Cambodia) Plc.

Directors' responsibilities in respect of the financial statements

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

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

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

ii) comply with the disclosure requirements of CIFRS or, if there have been any departures in the interest of 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 the going concern basis unless it is inappropriate to assume that the Company will continue operations in the foreseeable future; and

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

The Directors confirm that the Company has complied with the above requirements in preparing the financial statements.

Approval of the financial statements

I, on behalf of the Board of Directors, hereby approve the accompanying financial statements, together with the notes thereto, which in our opinion, present fairly, in all material respects, the financial position of the Company as at 31 December 2024 and its financial performance and its cash flows of the Company for the year then ended in accordance with the Cambodian International Financial Reporting Standards ("CIFRS").

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

LOLC (CAMBODIA) Plc.
KINGDOM OF CAMBODIA

Mr. Brindley Chrishantha Gajanayake de Zylva
Chairman

Phnom Penh, Kingdom of Cambodia

Date: 28 March 2025

KPMG Cambodia Ltd
GIA Tower, Sopheak Mongkul Street, Phum 14
Sangkat Tonle Bassac, Khan Chamkar Mon
Phnom Penh, Cambodia
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Report of the Independent Auditors
To the shareholders of LOLC (Cambodia) Plc.

Opinion

We have audited the financial statements of LOLC (Cambodia) Plc. ("the Company"), which comprise the statement of financial position as at 31 December 2024, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information as set out on pages 8 to 110 (hereafter referred to as "the financial statements").

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

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the Report of the Directors on pages 1 to 4, and the annual report, which is expected to be made available to us after the date of auditors' report.

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

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

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KPMG

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 the 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

For **KPMG Cambodia Ltd**

Guek Teav
Partner

Phnom Penh, Kingdom of Cambodia

28 March 2025

LOLC (Cambodia) Plc.

Statement of financial position
As at 31 December 2024

	Notes	31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US$ (Note 2.4(iii))	31 December 2023 US$ (Note 2.4(iii))
ASSETS					
Cash on hand	4	108,021,390	124,372,008	26,837,612	30,446,024
Deposits and placements with the National Bank of Cambodia	5	221,714,379	134,192,224	55,084,318	32,849,994
Deposits and placements with banks	6	556,774,147	672,287,486	138,328,981	164,574,660
Investment securities at amortised cost	7	3,339,960	-	829,804	-
Financial assets at fair value through other comprehensive income	8	60,375	61,275	15,000	15,000
Loans and advances at amortised cost	9	5,135,970,992	5,003,139,376	1,276,017,638	1,224,758,721
Statutory deposits with the National Bank of Cambodia	10	339,868,390	371,611,761	84,439,352	90,969,831
Property and equipment	11	9,624,545	12,145,516	2,391,192	2,973,198
Right-of-use assets	12	30,640,659	28,661,010	7,612,586	7,016,159
Intangible assets	13	11,814,205	7,818,094	2,935,206	1,913,854
Deferred tax assets - net	14	23,543,707	29,627,908	5,849,368	7,252,854
Other assets	15	20,787,876	20,679,113	5,164,690	5,062,207
TOTAL ASSETS		6,462,160,625	6,404,595,771	1,605,505,747	1,567,832,502
LIABILITIES AND EQUITY					
LIABILITIES					
Deposits from banks and other financial institutions	16	336,956,689	193,575,862	83,715,948	47,386,992
Deposits from customers	17	3,693,593,747	3,498,928,575	917,663,043	856,530,863
Borrowings	18	592,478,916	884,096,100	147,199,731	216,424,994
Lease liabilities	12	28,859,765	27,481,666	7,170,128	6,727,458
Current income tax liabilities	19	28,116,358	50,339,592	6,985,431	12,323,034
Employee benefits	20	1,826,652	2,099,290	453,827	513,902
Other liabilities	21	37,343,832	39,263,064	9,277,970	9,611,521
Subordinated debts	22	178,978,277	253,753,175	44,466,653	62,118,280
TOTAL LIABILITIES		4,898,154,236	4,949,537,324	1,216,932,731	1,211,637,044
EQUITY					
Share capital	23A	424,377,400	424,377,400	103,969,218	103,969,218
Retained earnings		578,409,737	623,203,250	141,614,157	153,048,830
General reserves		380,415,116	380,415,116	93,768,951	93,768,951
Regulatory reserves	24	49,192,708	21,938,040	12,139,107	5,367,761
Other reserves	25	131,611,428	5,124,641	32,679,791	1,254,502
Currency translation reserves		-	-	4,401,792	(1,213,804)
TOTAL EQUITY		1,564,006,389	1,455,058,447	388,573,016	356,195,458
TOTAL LIABILITIES AND EQUITY		6,462,160,625	6,404,595,771	1,605,505,747	1,567,832,502

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

LOLC (Cambodia) Plc.

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

	Notes	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Interest income	26	889,181,399	891,105,944	218,418,423	216,814,098
Interest expense	26	(347,156,997)	(354,216,437)	(85,275,607)	(86,184,048)
Net interest income		542,024,402	536,889,507	133,142,816	130,630,050
Fee and commission income	27	16,802,961	22,222,917	4,127,478	5,407,036
Fee and commission expense	27	(641,516)	(832,034)	(157,582)	(202,441)
Net fee and commission income		16,161,445	21,390,883	3,969,896	5,204,595
Other operating income		8,816,472	5,671,028	2,165,677	1,379,812
Other (losses)/ gains– net		(1,712,699)	2,892,912	(420,707)	703,872
Credit impairment (losses)/ reversal	28	(110,687,157)	19,600,358	(27,189,181)	4,768,944
Net losses on derecognition of financial assets measured at amortised cost		(25,999,966)	(29,849,686)	(6,386,629)	(7,262,697)
Net other operating loss		(129,583,350)	(1,685,388)	(31,830,840)	(410,069)
Personnel expenses	29	(149,481,354)	(148,471,679)	(36,718,584)	(36,124,496)
Depreciation and amortisation charges	30	(14,723,746)	(14,201,166)	(3,616,739)	(3,455,272)
Other operating expenses	31	(58,860,195)	(54,831,042)	(14,458,412)	(13,340,886)
Profit before income tax		205,537,202	339,091,115	50,488,137	82,503,922
Income tax expense	32	(42,693,330)	(69,005,113)	(10,487,185)	(16,789,565)
Profit for the year		162,843,872	270,086,002	40,000,952	65,714,357
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Currency translation differences		-	-	5,615,596	2,676,061
Other comprehensive income for the year, net of tax		-	-	5,615,596	2,676,061
Total comprehensive income for the year		162,843,872	270,086,002	45,616,548	68,390,418
Profit attributable to:					
Owners of the Company		162,843,872	270,086,002	40,000,952	65,714,357
Total comprehensive income attributable to:					
Owners of the Company		162,843,872	270,086,002	45,616,548	68,390,418

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

LOLC (Cambodia) Plc.

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

	Attributable to owners of the Company													
	Share capital KHR'000	Retained earnings KHR'000	General reserves KHR'000	Regulatory reserves KHR'000	Other reserves KHR'000	Currency translation reserves KHR'000	Total KHR'000	Share capital US$ (Note 2.4(iii))	Retained earnings US$ (Note 2.4(iii))	General reserves US$ (Note 2.4(iii))	Regulatory reserves US$ (Note 2.4(iii))	Other reserves US$ (Note 2.4(iii))	Currency translation reserves US$ (Note 2.4(iii))	Total US$ (Note 2.4(iii))
Balance at 1 January 2023	224,377,400	590,276,911	380,415,116	-	-	-	1,195,069,427	55,460,850	144,936,825	93,768,951	-	-	(3,889,865)	290,276,761
Profit for the year	-	270,086,002	-	-	-	-	270,086,002	-	65,714,357	-	-	-	-	65,714,357
Other comprehensive income – currency translation differences	-	-	-	-	-	-	-	-	-	-	-	-	2,676,061	2,676,061
Total comprehensive income for the year	-	270,086,002	-	-	-	-	270,086,002	-	65,714,357	-	-	-	2,676,061	68,390,418
Transactions with owners in their capacity as owners:														
Transfer from retained earnings to share capital (Note 23A)	200,000,000	(200,000,000)	-	-	-	-	-	48,508,368	(48,508,368)	-	-	-	-	-
Dividends (Note 23B)	-	(10,096,982)	-	-	-	-	(10,096,982)	-	(2,471,721)	-	-	-	-	(2,471,721)
Transfer from retained earnings to regulatory reserves (Note 24)	-	(21,938,040)	-	21,938,040	-	-	-	-	(5,367,761)	-	5,367,761	-	-	-
Transfer from retained earnings to other reserves (Note 25)	-	(5,124,641)	-	-	5,124,641	-	-	-	(1,254,502)	-	-	1,254,502	-	-
Total transactions with owners	200,000,000	(237,159,663)	-	21,938,040	5,124,641	-	(10,096,982)	48,508,368	(57,602,352)	-	5,367,761	1,254,502	-	(2,471,721)
Balance at 31 December 2023	424,377,400	623,203,250	380,415,116	21,938,040	5,124,641	-	1,455,058,447	103,969,218	153,048,830	93,768,951	5,367,761	1,254,502	(1,213,804)	356,195,458
Balance at 1 January 2024	424,377,400	623,203,250	380,415,116	21,938,040	5,124,641	-	1,455,058,447	103,969,218	153,048,830	93,768,951	5,367,761	1,254,502	(1,213,804)	356,195,458
Profit for the year	-	162,843,872	-	-	-	-	162,843,872	-	40,000,952	-	-	-	-	40,000,952
Other comprehensive income – currency translation differences	-	-	-	-	-	-	-	-	-	-	-	-	5,615,596	5,615,596
Total comprehensive income for the year	-	162,843,872	-	-	-	-	162,843,872	-	40,000,952	-	-	-	5,615,596	45,616,548
Transactions with owners in their capacity as owners:														
Dividends (Note 23B)	-	(53,895,930)	-	-	-	-	(53,895,930)	-	(13,238,990)	-	-	-	-	(13,238,990)
Transfer from retained earnings to regulatory reserves (Note 24)	-	(27,254,668)	-	27,254,668	-	-	-	-	(6,771,346)	-	6,771,346	-	-	-
Transfer from retained earnings to other reserves (Note 25)	-	(126,486,787)	-	-	126,486,787	-	-	-	(31,425,289)	-	-	31,425,289	-	-
Total transactions with owners	-	(207,637,385)	-	27,254,668	126,486,787	-	(53,895,930)	-	(51,435,625)	-	6,771,346	31,425,289	-	(13,238,990)
Balance at 31 December 2024	424,377,400	578,409,737	380,415,116	49,192,708	131,611,428	-	1,564,006,389	103,969,218	141,614,157	93,768,951	12,139,107	32,679,791	4,401,792	388,573,016

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

LOLC (CAMBODIA) PLC.

Statement of cash flows
For the year ended 31 December 2024

	Notes	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Cash flows from operating activities					
Cash (used in)/generated from operations	34(a)	(51,544,368)	256,281,782	(12,661,354)	62,355,666
Interest received		857,923,480	890,607,708	210,740,231	216,692,873
Interest paid		(358,883,118)	(340,407,104)	(88,156,010)	(82,824,113)
Income tax paid	19	(58,832,363)	(74,027,325)	(14,451,575)	(18,011,515)
Employee benefits paid		(7,543,083)	(7,355,020)	(1,852,882)	(1,789,542)
Net cash generated from operating activities		381,120,548	725,100,041	93,618,410	176,423,369
Cash flows from investing activities					
Deposits and placements with the National Bank of Cambodia		(41,980,661)	(269,560)	(10,312,125)	(65,586)
Purchases of investment securities at amortised cost	7	(3,346,213)	-	(821,963)	-
Purchases of property and equipment	11	(2,894,453)	(9,256,605)	(710,993)	(2,252,215)
Purchases of intangible assets	13	(6,295,155)	(3,024,926)	(1,546,341)	(735,992)
Proceeds from disposals of property and equipment		291,330	550,858	71,562	134,029
Net cash used in investing activities		(54,225,152)	(12,000,233)	(13,319,860)	(2,919,764)
Cash flows from financing activities					
Proceeds from borrowings	34(b)	121,160,750	97,365,032	29,761,914	23,689,789
Repayments of borrowings	34(b)	(401,676,040)	(479,619,214)	(98,667,659)	(116,695,673)
Repayments of subordinated debts	34(b)	(71,111,400)	(54,382,800)	(17,467,797)	(13,231,825)
Payment of transaction costs	34(b)	(660,750)	(290,518)	(162,307)	(70,686)
Payment of dividend to shareholders	23(B)	(53,895,930)	(10,096,982)	(13,238,990)	(2,456,687)
Principal element of lease payments	34(b)	(7,839,501)	(5,931,236)	(1,925,694)	(1,443,123)
Net cash used in financing activities		(414,022,871)	(452,955,718)	(101,700,533)	(110,208,205)
Net (decrease)/increase in cash and cash equivalents		(87,127,475)	260,144,090	(21,401,983)	63,295,400
Cash and cash equivalents at beginning of the year		932,327,813	672,183,723	228,232,023	163,270,275
Currency translation differences		-	-	3,157,620	1,666,348
Cash and cash equivalents at end of the year	33	845,200,338	932,327,813	209,987,660	228,232,023

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

LOLC (CAMBODIA) PLC.

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

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

1. General information

LOLC (Cambodia) Plc. (formerly known as Thaneakea Phum (Cambodia) Ltd.) (the Company), a licensed micro-finance institution, incorporated in the Kingdom of Cambodia and registered with the Ministry of Commerce (MoC) as a public limited liability company under the registration number Co. 1413 E/2002, dated 23 May 2002 and changed to the new registration number 00012829 dated 28 September 2015.

On 11 September 2015, the Company obtained a Micro-finance Deposit Taking Institution ("MDI") license to conduct deposit taking business from the National Bank of Cambodia ("NBC").

The Company is owned by LOLC Asia Private Limited (based in Singapore) and TPC-ESOP Co., Ltd with 96.97% and 3.03% shares respectively.

The principal activity of the Company is to provide micro-finance services (deposit-taking and lending) to the rural population, micro-enterprises and small and medium enterprises through its head office in Phnom Penh and its various branches in the Kingdom of Cambodia. Its corporate objective is to provide reliable and affordable access to financial services to micro-entrepreneurs and small and medium enterprises.

As at 31 December 2024, the Company has 83 office locations (82 branches and a Head Office in Phnom Penh). The Company's registered office is at Building No. 666B, Street 271, Sangkat Boeung Tumpun 2, Khan Mean Chey, Phnom Penh, the Kingdom of Cambodia.

The financial statements were authorised for issue by the Board of Directors on 28 March 2025.

2. Material accounting policies

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

2.1 Changes in material accounting policies

The Company does not have any changes in material accounting policies in the current annual reporting period.

2.2 Basis of preparation

The financial statements are prepared in accordance with Cambodian International Financial Reporting Standards ("CIFRSs") which are based on all IFRS accounting standards published by the International Accounting Standard Board including other interpretations and amendments that may occur in any circumstances to each standard.

2. Material accounting policies (continued)

2.2 Basis of preparation (continued)

The financial statements have been prepared under the historical cost convention, except for financial asset of equity instrument that measured at fair value.

The Company discloses the amount for each asset and liability that expected to be recovered or settled no more than 12-month after the reporting period as current, and more than 12-month after the reporting period as non-current.

The preparation of financial statements in conformity with CIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

2.3 New standards and interpretation

Accounting standards issued but not yet effective

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

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

In May 2024, the International Accounting Standards Board (IASB) issued Amendments to the classification and Measurement of Financial Instruments which amended IFRS 9 and IFRS 7 (equivalent to CIFRS 9 and CIFRS 7). The requirements will be effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted, and are related to:

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

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

B. CIFRS 18 Presentation and Disclosures in Financial Statements

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

2. Material accounting policies (continued)

2.3 New standards and interpretation (continued)

B. CIFRS 18 Presentation and Disclosures in Financial Statements (continued)

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.

- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.

- Enhanced guidance is provided on how to group information in the financial statements.

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

C. Other accounting standards

The lack of exchangeabilities (Amendment to CIAS21) is not expected to have significant impact on the Company's financial statements.

2.4 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The functional currency is the Khmer Riel ("KHR") because of the significant influence of the KHR on its operations.

The financial statements are presented in KHR which is the Company's functional currency. All amounts have been rounded to the nearest thousand Riel, except when otherwise indicated.

(ii) Transactions and balances

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

2. Material accounting policies (continued)

2.4 Foreign currency translation (continued)

(ii) Transactions and balances (continued)

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

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

Foreign currency differences arising on translation are generally recognized in the statement of profit or loss on a net basis within 'other gains/(losses) – net'.

(iii) Presentation in United States dollars ("US$")

The translation of Khmer Riel ("KHR") into US$ is solely for management's use only and is based on the official exchange rates published by the National Bank of Cambodia as at the reporting dates and average rate for the period. The translations of "KHR" into "US$" amounts meets the presentation requirements pursuant to the Law on Accounting and Auditing and has been done in accordance with the translation method of CIAS 21 –*The Effects of Changes in Foreign Exchange Rates.*

Assets and liabilities are translated into US$ at the closing rate as at the reporting date and share capital account is translated at the historical rate. The statements of profit or loss and other comprehensive income and cash flows are translated into US$ using the average rate for the period, which have been deemed to approximate the exchange rates at the end of transactions as exchange rates have not fluctuated significantly during the period. Exchange differences arising from the translation are recognised as "Currency Translation Reserves" in other comprehensive income.

The Company has used the official rate of exchange published by the National Bank of Cambodia. As at the reporting date, the average rates and closing rates are based on the following exchange rates:

		Closing rate	Average rate
31 December 2024	USD1=	KHR4,025	KHR4,071
31 December 2023	USD1=	KHR4,085	KHR4,110

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

2. Material accounting policies (continued)

2.5 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents comprise cash on hand, unrestricted deposits and placements with the National Bank of Cambodia and banks, and other short-term highly liquid investments with original maturities of three months or less where the Company has full ability to withdraw for general purpose whenever needed and subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Deposits and placements with the National Bank of Cambodia and banks are carried at amortised cost in the statement of financial position.

2.6 Financial instruments

(a) Recognition and initial measurement

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

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

(b) Classification

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost, FVOCI or FVTPL.

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

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

2. Material accounting policies (continued)

2.6 Financial instruments (continued)

(b) Classification (continued)

Financial assets (continued)

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

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

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

All other financial assets are classified as measured at FVTPL.

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

Business model assessment

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;

2. Material accounting policies (continued)

2.6 Financial instruments (continued)

(b) Classification (continued)

Financial assets (continued)

Business model assessment (continued)

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

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

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

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

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

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

2. Material accounting policies (continued)

2.6 Financial instruments (continued)

(b) Classification (continued)

Financial assets (continued)

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

Non-recourse loans

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

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

Reclassifications

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

(c) Derecognition

Financial assets

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

2. Material accounting policies (continued)

2.6 Financial instruments (continued)

(c) Derecognition (continued)

Financial assets (continued)

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

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

(d) Modifications of financial assets and financial liabilities

Financial assets

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

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

- fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and

- other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Company plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place (see 37.1(c) for write-off policy). This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

2. Material accounting policies (continued)

2.6 Financial instruments (continued)

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

Financial assets (continued)

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

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

Financial liabilities

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

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

(e) Offsetting

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

2. Material accounting policies (continued)

2.6 Financial instruments (continued)

(e) Offsetting (continued)

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

(f) Fair value measurement

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

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

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

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

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

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

2. Material accounting policies (continued)

2.6 Financial instruments (continued)

(f) Fair value measurement (continued)

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

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

(g) Impairment

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

- financial assets that are debt instruments

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

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition (see Note 6(A)(iii)).

Loss allowances for lease receivables are always measured at an amount equal to lifetime ECL.

The Company considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Company does not apply the low credit risk exception to any other financial instruments.

12-month ECL are the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which 12-month ECL are recognised are referred to as 'Stage 1 financial instruments'. Financial instruments allocated to Stage 1 have not undergone a significant increase in credit risk since initial recognition and are not credit-impaired.

Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument or the maximum contractual period of exposure. Financial instruments for which lifetime ECL are recognised but that are not credit-impaired are referred to as 'Stage 2 financial instruments'. Financial instruments allocated to Stage 2 are those that have experienced a significant increase in credit risk since initial recognition but are not credit-impaired.

Financial instruments for which lifetime ECL are recognised and that are credit-impaired are referred to as 'Stage 3 financial instruments'

2. Material accounting policies (continued)

2.6 Financial instruments (continued)

(g) Impairment (continued)

Measurement of ECL

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

- *financial assets that are not credit-impaired at the reporting date:* as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive);
- *financial assets that are credit-impaired at the reporting date:* as the difference between the gross carrying amount and the present value of estimated future cash flows;
- *Undrawn loan commitments:* as the present value of the difference between the contractual cash flows that are due to the Company if the commitment is drawn down and the cash flows that the Company expects to receive; and

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

- *Lease receivables:* the discount rate used in measuring the lease receivable;
- *Undrawn loan commitments:* the effective interest rate, or an approximation thereof, that will be applied to the financial asset resulting from the loan commitment; and

Restructuring financial assets

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

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset (Note 37.1(c) (iii)).
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Credit-impaired financial assets

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

2. Material accounting policies (continued)

2.6 Financial instruments (continued)

(g) Impairment (continued)

Credit-impaired financial assets (continued)

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

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

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

In making an assessment of whether an investment in sovereign debt is credit-impaired, the Company considers the following factors.

- The market's assessment of creditworthiness as reflected in bond yields.
- The rating agencies' assessments of creditworthiness.
- The country's ability to access the capital markets for new debt issuance.
- The probability of debt being restructured, resulting in holders suffering losses through voluntary or mandatory debt forgiveness.
- The international support mechanisms in place to provide the necessary support as 'lender of last resort' to that country, as well as the intention, reflected in public statements, of governments and agencies to use those mechanisms. This includes an assessment of the depth of those mechanisms and, irrespective of the political intent, whether there is the capacity to fulfil the required criteria.

2. Material accounting policies (continued)

2.6 Financial instruments (continued)

(g) Impairment (continued)

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

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

Write-off

Loans and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company 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 recognised when cash is received and are included in 'impairment losses on financial instruments' in the statement of profit or loss and OCI.

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

(h) Financial liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual provision of the instruments. Financial liabilities of the Company include deposits from banks and other financial institutions, deposits from customers, borrowings, subordinated debtsand other financial liabilities.

2. Material accounting policies (continued)

2.6 Financial instruments (continued)

(h) Financial liabilities (continued)

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

Financial liabilities that are not classified as fair value through profit or loss are measured at amortised cost. The financial liabilities measured at amortised cost are deposits from banks and other financial institutions, deposits from customers, borrowings, subordinated debts and other liabilities.

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

2.7 Property and equipment

Property and equipment is stated at cost less accumulated depreciation and impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Capital work-in-progress is not depreciated. Depreciation of property and equipment is charged to the profit or loss on a straight-line basis over the estimated useful lives of the individual assets at the following rates:

	Years
Leasehold improvements	Shorter of contractual lease period and its economic lives
Office furniture and equipment	3 – 5
Computer equipment	3
Motor vehicles	3 – 5

Depreciation on capital work-in-progress commences when the assets are ready for their intended use. The assets' useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

2. Material accounting policies (continued)

2.7 Property and equipment (continued)

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.

2.8 Intangible assets

Intangible assets, which comprise acquired computer software and licences and related costs, are stated at cost less accumulated amortisation and impairment loss. Acquired computer software licences are capitalised based on the cost incurred to acquire the specific software and bring it into use. The cost is amortised from 5 to 20 years using the straight-line basis.

Work-in-progress is not depreciated. Costs associated with maintaining intangible assets are recognised as an expense when incurred.

2.9 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.

2.10 Leases

The Company as a lessee

As inception of contract, the Company 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.

2. Material accounting policies (continued)

2.10 Leases (continued)

The Company as a lessee (continued)

Contracts may contain both lease and non-lease components. The Company 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 term 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.

(i) 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 Company, 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.

To determine the incremental borrowing rate, the Company where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

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. Material accounting policies (continued)

2.10 Leases (continued)

(ii) 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 Company 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.

(iii) Recognition exemptions

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

2.11 Income tax

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

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

(i) Current tax

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

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

2. Material accounting policies (continued)

2.11 Income tax (continued)

(ii) Deferred tax

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

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

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

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

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

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

2.12 Provision

Provisions are recognised when the Company 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. Material accounting policies (continued)

2.13 Regulatory reserves

Regulatory reserves are set up for the variance of provision between loan impairment in accordance with CIFRSs and regulatory provision in accordance with National Bank of Cambodia's Prakas No. B7-017-344 dated 1 December 2017 and Circular No. B7-018-001 Sor Ror Chor Nor dated 16 February 2018 on credit risk classification and provision on impairment for banks and financial institutions. In accordance with Article 73, the entity is shall compare the provision calculated in accordance with Articles 49 to 71 and the provision calculated in accordance with Article 72, and the record:

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

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

The regulatory reserve is set aside as a buffer, is non-distributable, and is not allowed to be included in the net worth calculation.

According to the NBC's Circular No. B7.024.001 Sar. Ror. Chor. dated 29 August 2024 on Credit Restructuring, bank and financial institutions are allows to restructure their loans to customers and apply specific conditions including:

(a) The institution may restructure facilities up to two times without changing their initial classification and without the need for additional provisions.

(b) A credit rating upgrade is permitted after three consecutive months of on-time principal and/or interest payments. The institution can then restore its credit rating from one level to another by adhering to the overdue day credit policy. The upgrade must comply with the conditions set forth in the Prakas.

The Prakas allows bank and financial institutions to restructure their loans to customers without incurring additional provisions effective until the end of December 2025. The Company is adopting the requirements in this Prakas in preparing these financial statements for the year ended 31 December 2024.

2. Material accounting policies (continued)

2.14 General reserves

General reserves are set up for any overall financial risk of the Company. The Board of Directors exercises its discretion for the use and maintenance of the general reserves by transferring from retained earnings.

2.15 Other reserves

Other reserves are set up for the variance of provision between loan and advances impairment in accordance with CIFRSs or NBC provision whichever is higher and loan and advances provision covering 100% risk coverage ratio of Non-Performing Loan or portfolio at risk "PAR 90 days" in accordance with lender covenants. The Company records:

(i) In case the loan and advances impairment in accordance with CIFRSs is higher than the portfolio of NPL, the entity records the provision calculated in accordance with CIFRSs; and

(ii) In case the loan and advances impairment in accordance with CIFRSs is lower than the portfolio of NPL, the entity records the provision calculated in accordance with CIFRSs and transfer the difference from retained earnings or accumulated loss account into other reserves in shareholders' equity of the statement of the financial position (The Company gives priority to regulatory reserve first, and transfer the remaining difference to other reserves; if any).

2.16 Employee benefits

(i) 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 Company.

(ii) Pension obligations

The Company 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 Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due.

(iii) Long term employment 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:

2. Material accounting policies (continued)

2.16 Employee benefits (continued)

(iii) Long term employment benefits - seniority payments (continued)

- 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 Company. The past seniority payment depends on each staff 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 starting December 2021.

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 Company.

The past years of seniority service is classified as long term employee benefits. Past seniority liability is recognised at the present value of defined obligations at the reporting period. That obligation arises as employees render the services that the Company expected to pay in the future reporting periods. The present value of the past seniority payment is determined by discounting the estimate future payments by references to the high quality corporate bond of the currency that the liability is denominated.

2.17 Interest income and expense

Interest income and expense from financial instruments at amortised cost are recognised within 'interest income' and 'interest expense' respectively in profit or loss using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instruments or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company takes into account all contractual terms of the financial instrument and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not expected credit losses.

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.

2. Material accounting policies (continued)

2.17 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.

2.18 Fee and commission income

Fees and commissions are recognised as income when all conditions precedent are fulfilled (performance obligations are satisfied and control is transferred over time or point in time).

Commitment fees for loans and advances 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.

2.19 Loans and advances

The 'loans and advances at amortised cost' caption in the statement of financial position includes loans and advances measured at amortised cost (see 2.6(b)); these are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost under the effective interest method.

2.20 Investment securities

The 'investment securities at amortised cost' caption in the statement of financial position includes:

- investment securities measured at amortised cost (see 2.6(b)); these are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost under the effective interest method.

2.21 Deposits, borrowing and subordinated debts

Deposits, borrowing and subordinated debts are the Company's sources of debt funding.

Deposits, borrowing and subordinated debts are initially measured at fair value minus incremental direct transaction costs. Subsequently, they are measured at their amortised cost under the effective interest method, except where the Company designates liabilities at FVTPL (see 2.6(h)).

3. Use of judgements and estimates

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

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

3.1. Judgements

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

- **Note 2.6 (b):** classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are SPPI on the principal amount outstanding.
- **Note 37.1 (c):** establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining methodology for incorporating forward-looking information into measurement of ECL and selection and approval of models used to measure ECL.

3.2. Assumption and estimation uncertainties

Information about assumptions and estimation uncertainties that have material risks that could give rise to any adjustments on the carrying amounts of assets and liabilities recognised in the next financial statements is included in the following notes:

- **Note 37.5:** Determination of the fair value of financial instruments with significant unobservable inputs.
- **Note 37.1 (c):** Impairment of financial instruments: determining inputs into the ECL measurement model, including incorporation of forward-looking information.
- **Note 37.1 (c):** Impairment of financial instruments: key assumptions used in estimating recoverable cash flows.
- **Note 38**: Recognition and measurement of contingencies: key assumptions about the likelihood and magnitude of outflow of resource.
- **Note 2.10:** lease term: whether the Company is reasonably certain to exercise extension option.
- **Note 2.16 (iii)**: measurement of other long term seniority benefit.

3. Use of judgements and estimates (continued)

3.2. Assumption and estimation uncertainties (continued)

- **Note 2.4:** Functional and presentation currency: the management considers the KHR currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The critical factors which trigger the KHR being the functional currency include the currency that is regulated for loans to customers to certain extent by the National Bank of Cambodia, staff costs, the source of equity funding in which the Company receives share subscriptions from and the distribution of dividends to its shareholders. The financial statements are therefore presented in KHR which is the Company's functional and presentation currency.

4. Cash on hand

	31 December		31 December	
	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Current:				
Khmer Riel	28,465,584	31,087,701	7,072,195	7,610,208
US Dollars	73,009,717	78,918,818	18,139,060	19,319,172
Thai Baht	6,546,089	14,365,489	1,626,357	3,516,644
	108,021,390	124,372,008	26,837,612	30,446,024

5. Deposits and placements with the National Bank of Cambodia

(a) By account types

	31 December		31 December	
	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4 (iii))	2023 US$ (Note2.4(iii))
Settlement accounts	67,783,263	33,309,182	16,840,562	8,154,023
Current accounts	151,610,099	96,106,522	37,667,105	23,526,688
Negotiable certificate of deposits	2,321,017	4,776,520	576,651	1,169,283
	221,714,379	134,192,224	55,084,318	32,849,994

The Company has pledged negotiable certificate of deposits amounting to KHR2,310,000 thousands as collateral for Real time fund transfer (RFT) (31 December 2023: KHR2,344,191 thousands).

5. Deposits and placements with the National Bank of Cambodia (continued)

(b) By maturity

	31 December		31 December	
	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Current	221,714,379	134,192,224	55,084,318	32,849,994
Non-current	-	-	-	-
	221,714,379	134,192,224	55,084,318	32,849,994

Annual interest rates of deposits and placements with the National Bank of Cambodia are as follows:

	31 December	
	2024	2023
Settlement accounts	0%	0%
Current accounts	0%	0%
Negotiable certificates of deposits	1.00% – 1.18%	1.00% – 1.60%

6. Deposits and placements with banks

(a) By account types

	31 December		31 December	
	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Deposits and placements with local banks:				
Savings deposits	157,125,366	203,438,836	39,037,358	49,801,429
Current accounts	170,685,773	272,879,251	42,406,403	66,800,306
Time deposits	234,410,611	202,222,014	58,238,662	49,503,553
	562,221,750	678,540,101	139,682,423	166,105,288
Less: Allowance for expected credit loss	(5,447,603)	(6,252,615)	(1,353,442)	(1,530,628)
	556,774,147	672,287,486	138,328,981	164,574,660

6. Deposits and placements with banks (continued)

(b) By maturity

	31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US$ (Note 2.4(iii))	31 December 2023 US$ (Note 2.4(iii))
Current	562,221,750	678,540,101	139,682,423	166,105,288
Non-current	-	-	-	-
	562,221,750	678,540,101	139,682,423	166,105,288

Annual interest rates of deposits and placements with banks are as follows:

	31 December 2024	31 December 2023
Savings deposits	0% – 2.50%	0% – 2.50%
Current accounts	0% – 2.50%	0% – 2.50%
Term deposits	2.70% – 7.10%	3.20% – 4.50%

7. Investment securities at amortised cost

	31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US$ (Note 2.4(iii))	31 December 2023 US$ (Note 2.4(iii))
Investment in government bonds	3,339,960	-	829,804	-

Investment in government bonds is measured at amortised cost. These government bonds have maturity term of 3 years effective from 28 June 2024 to 28 June 2027 and earned annual interest rate at 4.5%. As at 31 December 2024, there were no allowance for expected credit loss being recognised.

The Company has pledged government bonds amounting to KHR2,810,000 thousands as collateral for overdraft (31 December 2023 (negotiable certificate of deposits): KHR2,429,072 thousands).

8. Financial assets at fair value through other comprehensive income

	31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US$ (Note 2.4(iii))	31 December 2023 US$ (Note 2.4(iii))
Non-current				
Unlisted securities				
Investment in Credit Bureau Cambodia	60,375	61,275	15,000	15,000

8. Financial assets at fair value through other comprehensive income (continued)

The Company designated investment in Credit Bureau Cambodia (CBC) to be measured at fair value through other comprehensive income as they are not held for trading and the Company has irrevocably elected at initial recognition to recognise as the financial assets at FVOCI. These are the strategic investments and the Company considers this classification to be more relevant.

The fair value of the investment at 31 December 2024 was KHR60,375 thousand.

Dividend received during the year was KHR118,752 thousand (2023: KHR166,253 thousand).

There is no gain/loss recognised in other comprehensive income due to the fair value approximate the carrying amount.

9. Loans and advances at amortised cost

	31 December		31 December	
	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
At amortised cost				
Group loans	496,363,762	574,400,820	123,320,189	140,612,196
Individual loans	4,787,736,239	4,483,991,759	1,189,499,687	1,097,672,401
Staff loans	32,264,541	33,588,984	8,016,035	8,222,517
Total gross loans	5,316,364,542	5,091,981,563	1,320,835,911	1,246,507,114
Less: Allowance for expected credit loss	(180,393,550)	(88,842,187)	(44,818,273)	(21,748,393)
Loans and advances at amortised cost	5,135,970,992	5,003,139,376	1,276,017,638	1,224,758,721

(a) Allowance for expected credit loss

Allowance for expected credit loss by stages are as follow:

	31 December		31 December	
	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
12-month ECL (Stage 1)	18,919,816	23,447,275	4,700,575	5,739,847
Lifetime ECL-not credit impaired (Stage 2)	17,235,755	5,771,271	4,282,175	1,412,796
Lifetime ECL-credit impaired (Stage 3)	144,237,979	59,623,641	35,835,523	14,595,750
	180,393,550	88,842,187	44,818,273	21,748,393

9. Loans and advances at amortised cost (continued)

(b) By industry

	31 December 2024 KHR'000	2023 KHR'000	31 December 2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Agriculture	1,419,397,914	1,358,578,944	352,645,444	332,577,465
Household/family	1,417,524,512	1,361,399,479	352,180,003	333,267,926
Trade and commerce	998,980,153	979,429,343	248,193,827	239,762,385
Services	834,410,205	778,684,244	207,306,883	190,620,378
Manufacturing	367,318,354	334,987,960	91,259,218	82,004,397
Construction	201,516,695	206,357,866	50,066,260	50,516,001
Transportation	77,216,709	72,543,727	19,184,276	17,758,562
Total gross loans	5,316,364,542	5,091,981,563	1,320,835,911	1,246,507,114

(c) Analysis by loan classification

	31 December 2024 KHR'000	2023 KHR'000	31 December 2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Performing				
Gross amount	4,515,237,712	4,921,687,690	1,121,798,189	1,204,819,508
Exposure at default	4,515,237,712	4,921,687,690	1,121,798,189	1,204,819,508
Allowance for expected credit loss	(18,919,816)	(23,447,275)	(4,700,575)	(5,739,847)
Under-performing				
Gross amount	438,448,450	50,381,792	108,931,292	12,333,364
Exposure at default	438,448,450	50,381,792	108,931,292	12,333,364
Allowance for expected credit loss	(17,235,755)	(5,771,271)	(4,282,175)	(1,412,796)
Non-performing				
Gross amount	362,678,380	119,912,081	90,106,430	29,354,242
Exposure at default	362,678,380	119,912,081	90,106,430	29,354,242
Allowance for expected credit loss	(144,237,979)	(59,623,641)	(35,835,523)	(14,595,750)
Total gross loans	5,316,364,542	5,091,981,563	1,320,835,911	1,246,507,114
Exposure at default	5,316,364,542	5,091,981,563	1,320,835,911	1,246,507,114
Allowance for expected credit loss	(180,393,550)	(88,842,187)	(44,818,273)	(21,748,393)

9. Loans and advances at amortised cost (continued)

(d) By maturity

	31 December		31 December	
	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Not later than 1 year	247,274,938	246,252,875	61,434,766	60,282,222
Later than 1 year and no later than 3 years	1,124,803,455	1,207,365,443	279,454,275	295,560,696
Later than 3 years and no later than 5 years	1,524,075,244	1,578,918,479	378,652,235	386,516,152
Later than 5 years	2,420,210,905	2,059,444,766	601,294,635	504,148,044
Total gross loans	5,316,364,542	5,091,981,563	1,320,835,911	1,246,507,114

(e) By large exposure

	31 December		31 December	
	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Large exposure	-	-	-	-
Non-large exposure	5,316,364,542	5,091,981,563	1,320,835,911	1,246,507,114
Total gross loans	5,316,364,542	5,091,981,563	1,320,835,911	1,246,507,114

(f) By relationship

	31 December		31 December	
	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Related parties (including staff loans)	32,264,541	33,588,984	8,016,035	8,222,518
Non-related parties	5,284,100,001	5,058,392,579	1,312,819,876	1,238,284,596
Total gross loans	5,316,364,542	5,091,981,563	1,320,835,911	1,246,507,114

9. Loans and advances at amortised cost (continued)

(g) By residency

	31 December		31 December	
	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Residents	5,316,364,542	5,091,981,563	1,320,835,911	1,246,507,114
Non-residents	-	-	-	-
Total gross loans	5,316,364,542	5,091,981,563	1,320,835,911	1,246,507,114

(h) By security

	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Secured	4,633,229,038	4,382,983,974	1,151,112,804	1,072,945,893
Un-secured	683,135,504	708,997,589	169,723,107	173,561,221
	5,316,364,542	5,091,981,563	1,320,835,911	1,246,507,114

(i) By interest rate

Annual interest rate for loans and advances are as follows:

	31 December	
	2024	2023
Short term loans	6.75% – 18.00%	6.78% – 18.00%
Long term loans	3% – 18.00%	6.78% – 18.00%

10. Statutory deposits with the National Bank of Cambodia

	Note	31 December		31 December	
		2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Capital guarantee deposit	(a)	42,437,740	42,437,740	10,543,538	10,388,676
Reserve requirement	(b)	297,430,650	329,174,021	73,895,814	80,581,155
		339,868,390	371,611,761	84,439,352	90,969,831

10. Statutory deposits with the National Bank of Cambodia (continued)

(a) Capital guarantee deposit

Under Prakas No. B7-07-163 dated 13 December 2007 on Licensing of Deposit-Taking Microfinance Institutions, the Company is required to maintain a capital guarantee deposit equivalent to 10% of registered capital with the NBC. This deposit is not available for use in the Company's day-to-day operations but is refundable when the Company voluntarily ceases to operate the business in Cambodia. The capital guarantee deposit earns annual interest at 3% (31 December 2023: 3%).

(b) Reserve requirement

This represents the minimum reserve requirement which is calculated at 7% of the total deposits from customers (31 December 2023: 7%) as required by the NBC's Prakas No. B7-07-163. The reserve requirement fluctuates depending on the level of deposits from customers and does not earn interest.

On 9 January 2023, the NBC announced, through Prakas No.B7-023-005, to increase of the Reserve Requirements Rate ("RRR") to 9% and 12.5% for foreign currencies deposits and borrowings, which is effective from 1 January 2023 to 31 December 2023, and from 1 January 2024 onward, respectively. While the RRR for local currency deposits and borrowings will remain at 7%. On 28 February 2023, the NBC announced through NBC letter B7-023-438 to delay in implementation of the reserve requirement against borrowings at daily average balance until 1 September 2023.

On 23 November 2023, the NBC has approved and allows the institutions to maintain reserve requirement at the rate of 7% until 31 December 2024.

In addition, on 21 August 2024, the NBC had issued another letter No.B7-024-1718 Chhor Tor allowing institutions to continue maintaining reserve requirement at the rate of 7% until 31 December 2025.

Annual interest rate are as follows:

	31 December	
	2024	**2023**
Capital guarantee deposit	3.00%	3.00%
Reserve requirement	Nil	Nil

11. Property and equipment

2024	Furniture and equipment KHR'000	Motor vehicles KHR'000	Computer equipment KHR'000	Leasehold improvements KHR'000	Total KHR'000	Total US$ (Note 2.4(iii))
Cost						
At 1 January	6,407,983	12,513,234	22,010,611	2,552,863	43,484,691	10,644,967
Additions	718,829	855,946	1,020,584	299,094	2,894,453	710,993
Disposals	(147,277)	(955,702)	(389,466)	(2,086)	(1,494,531)	(367,116)
Currency translation difference	-	-	-	-	-	162,613
At 31 December	6,979,535	12,413,478	22,641,729	2,849,871	44,884,613	11,151,457
Less: **Accumulated depreciation**						
At 1 January	4,581,990	10,586,562	14,471,174	1,699,449	31,339,175	7,671,769
Depreciation for the year	1,005,878	785,188	3,381,266	231,399	5,403,731	1,327,372
Disposals	(141,664)	(955,702)	(383,790)	(1,682)	(1,482,838)	(364,244)
Currency translation difference	-	-	-	-	-	125,368
At 31 December	5,446,204	10,416,048	17,468,650	1,929,166	35,260,068	8,760,265
Carrying amounts						
At 1 January	1,825,993	1,926,672	7,539,437	853,414	12,145,516	2,973,198
At 31 December	1,533,331	1,997,430	5,173,079	920,705	9,624,545	2,391,192

As at 31 December 2024, the cost of fully depreciated items of property and equipment still in use amounted to KHR23,232,562 thousand (31 December 2023: KHR21,647,706 thousand).

11. Property and equipment (continued)

2023	Furniture and equipment KHR'000	Motor vehicles KHR'000	Computer equipment KHR'000	Leasehold improvements KHR'000	Total KHR'000	Total US$ (Note 2.4(iii))
Cost						
At 1 January	4,705,627	13,905,072	15,942,656	2,366,310	36,919,665	8,967,614
Additions	1,862,668	685,631	6,517,690	190,616	9,256,605	2,252,215
Disposals	(160,312)	(2,077,469)	(449,735)	(4,063)	(2,691,579)	(654,885)
Currency translation difference	-	-	-	-	-	80,023
At 31 December	6,407,983	12,513,234	22,010,611	2,552,863	43,484,691	10,644,967
Less: **Accumulated depreciation**						
At 1 January	3,986,758	11,921,287	12,745,490	1,421,006	30,074,541	7,304,965
Depreciation for the year	752,945	731,044	2,174,023	282,439	3,940,451	958,747
Disposals	(157,713)	(2,065,769)	(448,339)	(3,996)	(2,675,817)	(651,050)
Currency translation difference	-	-	-	-	-	59,107
At 31 December	4,581,990	10,586,562	14,471,174	1,699,449	31,339,175	7,671,769
Carrying amounts						
At 1 January	718,869	1,983,785	3,197,166	945,304	6,845,124	1,662,649
At 31 December	1,825,993	1,926,672	7,539,437	853,414	12,145,516	2,973,198

12. Leases

This note provides information for leases where the Company is a lessee.

The Company leases various buildings for its head office's and branches' operations. Rental contracts are typically made for fixed periods of one to twelve years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

(a) Amounts recognised in the statement of financial position

	31 December		31 December	
	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Right-of-use assets (Non-current)				
Buildings	30,640,659	28,661,010	7,612,586	7,016,159
Lease liabilities				
Current	6,380,120	5,733,058	1,585,123	1,403,441
Non-current	22,479,645	21,748,608	5,585,005	5,324,017
	28,859,765	27,481,666	7,170,128	6,727,458

Additions to the right-of-use assets during the year were KHR9,641,610 thousand (2023: KHR7,284,149 thousand).

(b) Amounts recognised in the statement of profit or loss

	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Depreciation of right-of-use assets				
Buildings (Note 30)	7,213,556	6,763,548	1,771,937	1,645,632
Interest expense (Note 26)	2,245,287	2,117,106	551,531	515,111
Expense relating to short-term lease and leases of low-value assets (included in operating expenses) (Note 31)	9,869,372	9,214,371	2,424,311	2,241,939
Total expenses related to leases	19,328,215	18,095,025	4,747,779	4,402,682

Total cash outflow for lease during the period was KHR19,954,160 thousand (2023: KHR17,262,713 thousand).

13. Intangible assets

2024	Software and license KHR'000	Work in progress KHR'000	Total KHR'000	Total US$ (Note 2.4(iii))
Cost				
At 1 January	15,753,537	1,719,829	17,473,366	4,277,446
Additions	1,172,767	5,122,388	6,295,155	1,546,341
Transfers	6,522,697	(6,522,697)	-	-
Write-off	-	(192,585)	(192,585)	(47,307)
Currency translation difference	-	-	-	80,895
At 31 December	23,449,001	126,935	23,575,936	5,857,375
Less: **Accumulated amortisation**				
At 1 January	9,655,272	-	9,655,272	2,363,592
Amortisation for the year	2,106,459	-	2,106,459	517,430
Currency translation difference	-	-	-	41,147
At 31 December	11,761,731	-	11,761,731	2,922,169
Carrying amounts				
At 1 January	6,098,265	1,719,829	7,818,094	1,913,854
At 31 December	11,687,270	126,935	11,814,205	2,935,206
2023				
Cost				
At 1 January	14,132,015	316,425	14,448,440	3,509,458
Additions	1,462,985	1,561,941	3,024,926	735,992
Transfers	158,537	(158,537)	-	-
Currency translation difference	-	-	-	31,996
At 31 December	15,753,537	1,719,829	17,473,366	4,277,446
Less**: Accumulated amortisation**				
At 1 January	6,158,105	-	6,158,105	1,495,775
Amortisation for the year	3,497,167	-	3,497,167	850,893
Currency translation difference	-	-	-	16,924
At 31 December	9,655,272	-	9,655,272	2,363,592
Carrying amounts				
At 1 January	7,973,910	316,425	8,290,335	2,013,683
At 31 December	6,098,265	1,719,829	7,818,094	1,913,854

As at 31 December 2024, the cost of fully depreciated items of intangible assets still in use amounted to KHR742,900 thousand (31 December 2023: KHR591,099 thousand).

14. Deferred tax assets - net

	31 December		31 December	
	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Non-current				
Deferred tax assets	29,671,814	35,360,110	7,371,879	8,656,086
Deferred tax liabilities	(6,128,107)	(5,732,202)	(1,522,511)	(1,403,232)
Net deferred tax assets	23,543,707	29,627,908	5,849,368	7,252,854

The movement of net deferred tax assets during the year was as follows:

	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
As at 1 January	29,627,908	38,944,143	7,252,854	9,459,350
Charged to profit or loss (Note 32(a))	(6,084,201)	(9,316,235)	(1,494,522)	(2,266,724)
Currency translation differences	-	-	91,036	60,228
As at 31 December	23,543,707	29,627,908	5,849,368	7,252,854

14. Deferred tax assets - net (continued)

(i) Deferred tax assets:

	Impairment loss KHR'000	Unamortised loan fee KHR'000	Lease liabilities KHR'000	Accelerated depreciation KHR'000	Accrued expense KHR'000	Others KHR'000	Total KHR'000
As at 1 January 2024	7,113,608	18,194,505	5,496,333	476,442	1,400,148	2,679,074	35,360,110
(Charged)/credited to profit or loss	(4,983,896)	(1,820,807)	275,620	113,251	50,043	677,493	(5,688,296)
As at 31 December 2024	2,129,712	16,373,698	5,771,953	589,693	1,450,191	3,356,567	29,671,814
In US$ equivalent (Note2.4(iii))	529,121	4,068,000	1,434,026	146,508	360,296	833,928	7,371,879
As at 1 January 2023	17,497,407	18,962,891	5,268,345	462,239	1,340,472	1,085,595	44,616,949
(Charged)/credited to profit or loss	(10,383,799)	(768,386)	227,988	14,203	59,676	1,593,479	(9,256,839)
As at 31 December 2023	7,113,608	18,194,505	5,496,333	476,442	1,400,148	2,679,074	35,360,110
In US$ equivalent (Note2.4(iii))	1,741,397	4,453,979	1,345,492	116,632	342,753	655,833	8,656,086

14. Deferred tax assets - net (continued)

(ii) Deferred tax liabilities

	Right-of-use assets KHR'000
As at 1 January 2024	5,732,202
Charged to profit or loss	395,905
As at 31 December 2024	6,128,107
In US$ equivalent (Note 2.4(iii))	1,522,511
As at 1 January 2023	5,672,806
Charged to profit or loss	59,396
As at 31 December 2023	5,732,202
In US$ equivalent (Note 2.4(iii))	1,403,232

15. Other assets

	31 December		31 December	
	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Account receivables	1,763,556	4,681,965	438,151	1,146,136
Prepayments	10,665,132	7,533,997	2,649,722	1,844,308
Office and house rental deposits	676,071	2,506,335	167,968	613,546
Supplies	598,164	453,804	148,612	111,090
Others	7,084,953	5,503,012	1,760,237	1,347,127
	20,787,876	20,679,113	5,164,690	5,062,207

	31 December		31 December	
	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Current	20,384,748	20,007,670	4,996,722	4,448,661
Non-current	403,128	671,443	167,968	613,546
	20,787,876	20,679,113	5,164,690	5,062,207

16. Deposits from banks and other financial institutions

	31 December		31 December	
	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Savings deposits	10,517,544	3,195,172	2,613,055	782,172
Fixed deposits	326,439,145	190,380,690	81,102,893	46,604,820
	336,956,689	193,575,862	83,715,948	47,386,992

(a) By maturity

	31 December		31 December	
	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Current	336,956,689	193,575,862	83,715,948	47,386,992
Non-current	-	-	-	-
	336,956,689	193,575,862	83,715,948	47,386,992

(b) By interest rate

Annual interest rate for deposits from banks and other financial institutions are as follows:

	31 December	
	2024	2023
Savings deposits	0.00% - 3.00%	1.00% - 3.00%
Fixed deposits	3.75 % - 6.25%	5.00 % - 7.90%

17. Deposits from customers

	31 December		31 December	
	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Savings deposits	233,005,254	198,741,416	57,889,504	48,651,509
Fixed deposits	3,460,588,493	3,300,187,159	859,773,539	807,879,354
	3,693,593,747	3,498,928,575	917,663,043	856,530,863

17. Deposits from customers (continued)

(a) By maturity

	31 December		31 December	
	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Current	3,255,384,361	3,168,407,625	808,791,146	775,619,982
Non-current	438,209,386	330,520,950	108,871,897	80,910,881
	3,693,593,747	3,498,928,575	917,663,043	856,530,863

(b) By interest rate

Annual interest rate for deposits from customers are as follows:

	31 December	
	2024	2023
Savings deposits	0.00 % - 5.00%	0.00 % - 5.00%
Fixed deposits	2.75 % - 9.13%	2.90 % - 9.40%

18. Borrowings

As at 31 December 2024, the Company is in breach of covenants of ten lenders, of which the actual performance ratio exceeded the limit as follows:

	Limit	Actual	31 December 2024	
			KHR'000	US$ (Note 2.4(iii))
Provisioning PAR(*) 90 days	<= 12%	13.79%	27,648,731	6,869,250
Provisioning PAR(*) 90 days	<= 5%	5.54%	14,965,825	3,718,217
Provision ratio	>= 100%	53.36%	68,261,769	16,959,446
Non-performing loan	<= 5%	7.20%	14,255,570	3,541,757
Restructured loan	<= 8%	10.37%	37,818,984	9,396,021
PAR(*) 30 days plus economic recovery restructured loan	<= 6%	15.24%	20,056,174	4,982,900
PAR(*) 30 days excluded economic recovery restructured loan	<= 6.5%	7.95%	12,307,098	3,057,664

18. Borrowings (continued)

As at 31 December 2024, the Company is in breach of covenants of ten lenders, of which the actual performance ratio exceeded the limit as follows: (continued)

	Limit	Actual	31 December 2024	
			KHR'000	US$ (Note 2.4(iii))
PAR(*) 30 days plus net charge-offs last 12 months	<= 9%	9.04%	36,826,652	9,149,479
PAR(*) 30 days excludes Covid 19 restructured loan	<= 15%	15.24%	38,064,718	9,457,073
PAR(*) 30 days plus restructured loan and write-off last 12 months	<= 15%	16.65%	17,635,374	4,381,459
PAR(*) 30 days plus economic recovery restructured loan and write-off last 12 months	<= 7%	16.21%	40,613,038	10,090,196

(*) Portfolio at risk

As of the date of these financial statements, the non-current liabilities portion of KHR143,889,030 thousand (US$35,748,827) had been reclassified to current liabilities.

Borrowings are further analysed as follows:

	31 December		31 December	
	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Current	495,942,606	426,603,927	123,215,555	104,431,806
Non-current	96,536,310	457,492,173	23,984,176	111,993,188
	592,478,916	884,096,100	147,199,731	216,424,994

The annual interest rates are ranging from 5.38% to 8.20% (2023: 5.25% to 8.20%).

All the borrowings are unsecured.

19. Current income tax liabilities

	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
As at 1 January	50,339,592	64,678,039	12,323,034	15,709,992
Income tax expense (Note 32(a))	36,609,129	59,688,878	8,992,663	14,522,841
Income tax paid	(58,832,363)	(74,027,325)	(14,451,575)	(18,011,515)
Currency translation differences	-	-	121,309	101,716
As at 31 December	28,116,358	50,339,592	6,985,431	12,323,034

20. Employee benefits

	31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US$ (Note 2.4(iii))	31 December 2023 US$ (Note 2.4(iii))
Provision on seniority payment:				
Current	234,946	261,250	58,372	63,953
Non-current	1,591,706	1,838,040	395,455	449,949
	1,826,652	2,099,290	453,827	513,902

21. Other liabilities

	31 December 2024 KHR'000	31 December 2023 KHR'000	31 December 2024 US$ (Note 2.4(iii))	31 December 2023 US$ (Note 2.4(iii))
Staff bonuses and incentives	27,470,670	32,314,196	6,825,011	7,910,452
Accrued expenses	2,546,839	2,249,287	632,755	550,621
Other tax payables	2,702,578	2,502,224	671,448	612,540
Payables to related companies (Note 36(c))	2,210,336	1,140,781	549,152	279,261
Others	2,413,409	1,056,576	599,604	258,647
	37,343,832	39,263,064	9,277,970	9,611,521

21. Other liabilities (continued)

	31 December		31 December	
	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Current	37,343,832	39,263,064	9,277,970	9,611,521
Non-current	-	-	-	-
	37,343,832	39,263,064	9,277,970	9,611,521

22. Subordinated debts

As at 31 December 2024, the Company is in breach of covenants of six lenders, of which the actual performance ratio exceeded the limit as follows:

	Limit	Actual	31 December 2024	
			KHR'000	US$ (Note 2.4(iii))
Uncovered capital ratio	<= 25%	37.35%	24,133,547	5,995,912
PAR(*) 90 days	<= 12%	13.79%	8,233,034	2,045,474
Provision ratio/ risk coverage ratio	>= 100%	53.36%	90,007,024	22,361,994
PAR(*) 30 days	<= 5%	7.95%	34,236,841	8,506,048
PAR(*) 30 days	<= 7%	7.95%	22,415,310	5,569,021
PAR(*) 30 days plus economic recovery restructured loan	<= 9%	15.24%	34,236,841	8,506,048
PAR(*) 30 days plus restructured loan	<= 15%	15.64%	22,415,310	5,569,021
PAR(*) 30 days excludes Covid 19 restructured loan	<= 11%	15.24%	16,395,887	4,073,512
PAR(*) 30 days plus economic recovery restructured loan and write-off last 12 months	<= 7%	16.21%	47,537,149	11,810,472

(*) Portfolio at risk

As of the date of these financial statements, the non-current liabilities portion of KHR103,863,120 thousand (US$25,804,502) had been reclassified to current liabilities.

22. Subordinated debts

Subordinated debts are further analysed as follows:

	31 December		31 December	
	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Current	174,948,657	72,213,624	43,465,505	17,677,754
Non-current	4,029,620	181,539,551	1,001,148	44,440,526
	178,978,277	253,753,175	44,466,653	62,118,280

During the year, the Company repaid subordinated debts to various financial institutions amounting to KHR71,111,400 thousand (2023: KHR54,382,800 thousand). The annual interest rates for all subordinated debts are ranging from 7.50% to 10.47% (2023: 7.50% to 10.47%).

23. Share capital

A. Share capital

The total number of authorised shares of the Company as at 31 December 2024 was 4,243,774 shares (31 December 2023: 4,243,774 shares) with a par value of KHR100 thousand per share (2023: KHR100 thousand). All authorised shares are issued and fully paid up.

	31 December 2024/31 December 2023		
	Number of shares	%	KHR'000
Shareholders:			
LOLC Asia Private Limited	4,115,192	97%	411,519,200
TPC-ESOP Co., Ltd	128,582	3%	12,858,200
	4,243,774	100%	424,377,400
In US$ equivalent (Note 2.4(iii))			103,969,218

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

B. Dividends

On 14 February 2024, the Board of Directors approved for a dividend to be paid to its shareholders amounting to KHR53,895,930 thousand (2023: KHR10,096,982 thousand). The dividend distribution was approved by the National Bank of Cambodia on 18 April 2024 and was paid to the shareholders on 16 May 2024.

24. Regulatory reserves

Regulatory reserves represented the variance between impairment losses on financial instruments in accordance with CIFRSs and the regulatory provision in accordance with the requirement of the National Bank of Cambodia.

As at 31 December 2024, the Company transferred from retained earnings to regulatory reserves as follows:

	Balances other banks KHR'000	Loans and advances at amortised cost KHR'000	Other assets KHR'000	Total KHR'000
At 31 December 2024				
Allowance per NBC	5,622,217	229,380,591	31,053	235,033,861
Less: Allowances per CIFRS 9	(5,447,603)	(180,393,550)	-	(185,841,153)
Regulatory reserve (A)				49,192,708
At 31 December 2023				
Allowance per NBC	6,784,431	110,248,411	-	117,032,842
Less: Allowances per CIFRS 9	(6,252,615)	(88,842,187)	-	(95,094,802)
Regulatory reserve (B)				21,938,040
Transfer from retained earnings to regulatory reserves (A - B)				27,254,668
In US$ equivalent (Note 2.4(iii))				6,771,346

25. Other reserves

Other reserves represented the variance of allowance between loan and advances impairment loss in accordance with CIFRSs or NBC provision whichever is higher and loan and advances allowance covering 100% risk coverage ratio of Non-Performing Loan "PAR 90 days" in accordance with lender covenants.

As at 31 December 2024, the Company transferred from retained earnings to other reserves accumulatively amounting to KHR131,611,428 thousands (equivalent to US$32,679,791) (31 December 2023: KHR5,124,641 thousands (equivalent to US$1,254,502)).

26. Net interest income

	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Interest income from financial assets at amortised cost				
Loans and advances	872,428,575	881,228,658	214,303,262	214,410,866
Deposits and placements with banks	15,351,255	8,705,508	3,770,881	2,118,128
Deposits and placements with the National Bank of Cambodia	1,333,572	1,171,778	327,577	285,104
Investment securities at amortised cost	67,997	-	16,703	-
Total interest income	889,181,399	891,105,944	218,418,423	216,814,098
Interest expense on financial liabilities at amortised cost				
Deposits from customers and banks and other financial institutions	(273,204,776)	(246,902,950)	(67,109,992)	(60,073,710)
Borrowings	(49,645,014)	(76,333,731)	(12,194,796)	(18,572,684)
Subordinated debts	(22,061,920)	(28,862,650)	(5,419,288)	(7,022,543)
Lease liabilities	(2,245,287)	(2,117,106)	(551,531)	(515,111)
Total interest expense	(347,156,997)	(354,216,437)	(85,275,607)	(86,184,048)
Net interest income	542,024,402	536,889,507	133,142,816	130,630,050

27. Net fee and commission income

	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Fee and commission income:				
Fees and commission income on loans	1,841,443	1,473,029	452,332	358,401
Penalty income	14,960,875	20,743,020	3,674,988	5,046,964
Other fees	643	6,868	158	1,671
	16,802,961	22,222,917	4,127,478	5,407,036
Fee and commission expense	(641,516)	(832,034)	(157,582)	(202,441)
Net fee and commission income	16,161,445	21,390,883	3,969,896	5,204,595

28. Credit impairment losses/(reversal)

	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Expected Credit Loss:				
Loans and advances	111,365,708	(22,885,807)	27,355,860	(5,568,323)
Deposits and placements with banks	(678,551)	3,285,449	(166,679)	799,379
	110,687,157	(19,600,358)	27,189,181	(4,768,944)

29. Personnel expenses

	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Salaries and wages	138,007,862	136,762,870	33,900,236	33,275,637
Other benefits	11,473,492	11,708,809	2,818,348	2,848,859
	149,481,354	148,471,679	36,718,584	36,124,496

30. Depreciation and amortisation charges

	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Depreciation of property and equipment	5,403,731	3,940,451	1,327,372	958,747
Depreciation of right-of-use assets	7,213,556	6,763,548	1,771,937	1,645,632
Amortisation of intangible assets	2,106,459	3,497,167	517,430	850,893
	14,723,746	14,201,166	3,616,739	3,455,272

31. Other operating expenses

	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Professional fees	13,585,138	9,106,674	3,337,052	2,215,736
Rental expense related to short-term lease and lease of low-value assets	9,869,372	9,214,371	2,424,311	2,241,939
Travelling expenses	6,447,231	6,272,390	1,583,697	1,526,129
Insurance	5,312,976	5,430,874	1,305,079	1,321,381
Advertising	2,122,245	3,262,060	521,308	793,689
Communication	3,019,336	2,905,441	741,669	706,920
Office supplies and stationery	2,584,267	2,596,317	634,799	631,707
Utilities	2,405,466	2,185,648	590,878	531,788
Security guard	1,491,876	1,476,697	366,464	359,294
Board of directors' expenses (Note 36(f))	754,401	789,825	185,311	192,172
Repairs and maintenance	536,737	704,144	131,844	171,325
Charitable contributions	437,141	106,250	107,379	25,852
Others	10,294,009	10,780,351	2,528,621	2,622,954
	58,860,195	54,831,042	14,458,412	13,340,886

32. Income tax expense

(a) Income tax expense

	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Current income tax	36,609,129	59,688,878	8,992,663	14,522,841
Deferred income tax	6,084,201	9,316,235	1,494,522	2,266,724
	42,693,330	69,005,113	10,487,185	16,789,565

32. Income tax expense (continued)

(b) Reconciliation of income tax expense and accounting profit

Under the Cambodian tax regulations, the Company is subject to 20% Income Tax. The reconciliation of income tax computed at the statutory tax rate to the income tax expense as shown in the profit or loss were as follows:

	%	2024 KHR'000	%	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Profit before income tax		205,537,202		339,091,115	50,488,137	82,503,922
Tax at rate of 20%	20	41,107,440	20	67,818,223	10,097,627	16,500,784
Tax effect of reconciling items:						
Expenses not deductible for tax purposes	0.26	538,022	0.29	728,854	132,160	177,337
Others	0.51	1,047,868	-	458,036	257,398	111,444
Income tax expense	20.77	42,693,330	20.29	69,005,113	10,487,185	16,789,565

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

33. Cash and cash equivalents

	31 December 2024 KHR'000	2023 KHR'000	31 December 2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Cash on hand (Note 4)	108,021,390	124,372,008	26,837,612	30,446,024
Deposits and placements with the National Bank of Cambodia:				
Settlement accounts (Note 5)	67,783,263	33,309,182	16,840,562	8,154,023
Current accounts (Note 5)	151,610,099	96,106,522	37,667,105	23,526,688
Deposits and placements with banks:				
Savings accounts (Note 6)	157,125,366	203,438,836	39,037,358	49,801,429
Current accounts (Note 6)	170,685,773	272,879,251	42,406,403	66,800,306
Fixed deposits with maturity three months or less (Note 6)	189,974,447	202,222,014	47,198,620	49,503,553
	845,200,338	932,327,813	209,987,660	228,232,023

34. Cash flow information

(a) Cash flow from operations

	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Profit before income tax	205,537,202	339,091,115	50,488,137	82,503,922
Adjustments for:				
Depreciation and amortisation charges (Note 30)	14,723,746	14,201,166	3,616,739	3,455,272
Credit impairment losses/ (reversal) (Note 28)	110,687,157	(19,600,358)	27,189,181	(4,768,944)
Net losses on derecognition of financial assets measured at amortised cost	25,999,966	29,849,686	6,386,629	7,262,697
Gain on disposals of property and equipment	(279,637)	(535,095)	(68,690)	(130,193)
Written off on intangible assets	192,585	-	47,307	-
Provision employee benefits	7,270,445	7,143,981	1,785,911	1,738,195
Unrealised exchange gains	(5,294,780)	(2,452,700)	(1,300,609)	(596,764)
Net interest income (Note 26)	(542,024,402)	(536,889,507)	(133,142,816)	(130,630,050)
Changes in working capital:				
Reserve requirement deposits	31,743,371	(80,798,761)	7,797,438	(19,659,066)
Loans and advances	(244,782,011)	(5,896,944)	(60,128,227)	(1,434,780)
Other assets	(108,763)	932,681	(26,717)	226,930
Deposits from banks and other financial institutions	143,380,827	69,033,545	35,220,051	16,796,483
Deposits from customers	203,329,158	447,560,028	49,945,752	108,895,384
Other liabilities	(1,919,232)	(5,357,055)	(471,440)	(1,303,420)
Cash (used in)/ generate from operations	(51,544,368)	256,281,782	(12,661,354)	62,355,666

34. Cash flow information (continued)

(b) Net debt reconciliation

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

Net debt	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Cash and cash equivalents	845,200,338	932,327,813	209,987,660	228,232,023
Borrowings	(592,478,916)	(884,096,100)	(147,199,731)	(216,424,994)
Subordinated debts	(178,978,277)	(253,753,175)	(44,466,653)	(62,118,280)
Lease liabilities	(28,859,765)	(27,481,666)	(7,170,128)	(6,727,458)
Net debt	44,883,380	(233,003,128)	11,151,148	(57,038,709)
Cash and liquid investments	845,200,338	932,327,813	209,987,660	228,232,023
Gross debt – fixed interest rates	(800,316,958)	(1,165,330,941)	(198,836,512)	(285,270,732)
Net debt	44,883,380	(233,003,128)	11,151,148	(57,038,709)

34. Cash flow information (continued)

(b) Net debt reconciliation (continued)

	Borrowings KHR'000	Leases KHR'000	Subordinated Debts KHR'000	Sub-total KHR'000	Cash KHR'000	Total KHR'000
Net debt as at 1 January 2024	(884,096,100)	(27,481,666)	(253,753,175)	(1,165,330,941)	932,327,813	(233,003,128)
Cash flows	281,176,040	7,839,501	71,111,400	360,126,941	(87,127,475)	272,999,466
New leases	-	(8,323,041)	-	(8,323,041)	-	(8,323,041)
Foreign exchange adjustments	(8,132,186)	424,010	(2,910,321)	(10,618,497)	-	(10,618,497)
Other changes (i)	18,573,330	(1,318,569)	6,573,819	23,828,580	-	23,828,580
Net debt as at 31 December 2024	(592,478,916)	(28,859,765)	(178,978,277)	(800,316,958)	845,200,338	44,883,380
In US$ equivalent (Note 2.4(iii))	(147,199,731)	(7,170,128)	(44,466,653)	(198,836,511)	209,987,662	11,151,150
Net debt as at 1 January 2023	(1,269,650,543)	(26,341,727)	(314,179,268)	(1,610,171,538)	672,183,723	(937,987,815)
Cash flows	382,544,700	5,931,236	54,382,800	442,858,736	260,144,090	703,002,826
New leases	-	(6,769,856)	-	(6,769,856)	-	(6,769,856)
Foreign exchange adjustments	4,092,808	212,974	1,316,103	5,621,885	-	5,621,885
Other changes (i)	(1,083,065)	(514,293)	4,727,190	3,129,832	-	3,129,832
Net debt as at 31 December 2023	(884,096,100)	(27,481,666)	(253,753,175)	(1,165,330,941)	932,327,813	(233,003,128)
In US$ equivalent (Note 2.4(iii))	(216,424,994)	(6,727,458)	(62,118,280)	(285,270,732)	228,232,023	(57,038,709)

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

35. Commitments and contingencies

(a) Loan commitment and guarantee

As at 31 December 2024, the Company have outstanding commitments on unused overdraft to customers as below:

	31 December		31 December	
	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Within one year	368,251	-	91,491	-

(b) Lease commitments

The Company recognised right-of-use assets and lease liabilities for lease contracts where the Company is a lessee, except for short-term leases and low value leases, see Note 2.10 and Note 12 for further information. The lease commitments of short-term leases and low value leases are as follows:

	31 December		31 December	
	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Within one year	24,969	81,405	6,203	19,928

(c) Capital commitments

	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Intangible assets:				
Within one year	125,300	3,145,450	31,130	770,000
From one to five years	-	180,975	-	44,302
	125,300	3,326,425	31,130	814,302

36. Related-party transactions

The Company entered into a number of transactions with related parties in the normal course of business. The volumes of related party transactions, outstanding balance at the year end and relating expenses and income for the year are as follows:

36. Related-party transactions (continued)

(a) Related parties and relationships

The related parties of the Company are as follows:

Relationship	Related party
Ultimate parent	LOLC Holdings Plc.
Shareholders	LOLC Asia Private Limited
	TPC-ESOP Co., Ltd.
Related company	Entity under the same parent company
Key management personnel	All directors of the Company who make critical decisions in relation to the strategic direction of the Company and senior management staff (including their close family members)

(b) Loans and advances to key management personnel

	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Loans to key management personnel	2,895,100	4,369,644	719,280	1,069,680
Interest income	289,310	259,160	71,066	63,056

Loans and advances to key management personnel are secured and having interest rate of 7.66% to 14.40% (2023: 6.78% to 14.40%) per annum. Allowances for expected credit losses for loans to related parties was recognised during the year of KHR473 thousand (2023: KHR4,541 thousand).

(c) Payables to related parties

	31 December		31 December	
	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Payables to related companies (Note 21)	2,210,336	1,140,781	549,152	279,261

The payables to related company are unsecured and bear no interest.

36. Related-party disclosures (continued)

(d) Deposits from related parties

	31 December		31 December	
	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Shareholders	100,670	95,771	25,011	23,445
Board of directors	2,224,157	1,936,539	552,586	474,061
Key management personnel	18,242,169	13,912,464	4,532,216	3,405,744
Related companies	1,168,501	187,003	290,311	45,778
	21,735,497	16,131,777	5,400,124	3,949,028
Interest payable	756,582	403,812	187,971	98,852
Interest expense	1,066,272	878,805	261,919	213,821

Annual interest rates during the year are as follows:

	31 December	
	2024	2023
Shareholders	3.00% - 7.00%	3.00% - 8.50%
Board of directors	3.00% - 7.75%	3.00% - 8.75%
Key management personnel	0.00% – 9.13%	1.00% – 9.13%
Related companies	0.00% – 3.00%	1.00% – 3.00%

(e) Transactions with related parties

	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
(i) Incomes from related companies:				
Rental income	19,708	57,951	4,841	14,100
Management fee income	203,530	190,330	49,995	46,309
IT service fee income	-	71,830	-	17,477
Commission income	8,120,615	4,362,366	1,994,747	1,061,403
	8,343,853	4,682,477	2,049,583	1,139,289

36. Related-party disclosures (continued)

(e) Transactions with related parties (continued)

		2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
(ii)	*Expenses/payment to related companies:*				
	License fees	2,113,479	630,836	519,155	153,488
	IT consultancy and support fees	1,805,769	854,436	443,569	207,892
	Rental expense	-	6,782	-	1,650
		3,919,248	1,492,054	962,724	363,030

Transactions with related parties were made on normal commercial terms and conditions and at market rate.

(f) Key management compensation

	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Directors' fees	754,401	789,825	185,311	192,172
Salaries and other benefits to key management	13,220,609	12,605,987	3,247,509	3,067,150
	13,975,010	13,395,812	3,432,820	3,259,322

37. Financial risk management

The Company embraces risk management as an integral part of the Company's business, operations and decision-making process. In ensuring that the Company 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 Company'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.

37. Financial risk management (continued)

	31 December		31 December	
	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Financial assets				
Financial assets at amortised costs				
Cash on hand	108,021,390	124,372,008	26,837,612	30,446,024
Deposits and placements with the National Bank of Cambodia	221,714,379	134,192,224	55,084,318	32,849,994
Deposits and placements with banks	556,774,147	672,287,486	138,328,981	164,574,660
Investment securities at amortised cost	3,339,960	-	829,804	-
Loans and advances at amortised cost	5,135,970,992	5,003,139,376	1,276,017,638	1,224,758,721
Other financial assets	3,105,224	5,406,074	771,484	1,323,396
	6,028,926,092	5,939,397,168	1,497,869,837	1,453,952,795
Financial assets at fair value through other comprehensive income	60,375	61,275	15,000	15,000
Total financial assets	6,028,986,467	5,939,458,443	1,497,884,837	1,453,967,795
Financial liabilities				
Financial liabilities at amortised cost				
Deposits from banks and other financial institutions	336,956,689	193,575,862	83,715,948	47,386,992
Deposits from customers	3,693,593,747	3,498,928,575	917,663,043	856,530,863
Borrowings	592,478,916	884,096,100	147,199,731	216,424,994
Subordinated debts	178,978,277	253,753,175	44,466,653	62,118,280
Lease liabilities	28,859,765	27,481,666	7,170,128	6,727,458
Other financial liabilities	6,601,558	4,114,899	1,640,139	1,007,319
Total financial liabilities	4,837,468,952	4,861,950,277	1,201,855,642	1,190,195,906
Net financial assets	1,191,517,515	1,077,508,166	296,029,195	263,771,889

37. Financial risk management (continued)

37.1 Credit risk

Credit risk is the risk of suffering financial loss, should any of the Company's customers or market counterparties fail to fulfil their contractual obligations to the Company. Credit risk arises from deposits and placements with the National Bank of Cambodia and 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 Company 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.

Deposits and placements with the National Bank of Cambodia and banks are considered to be low credit risk. The credit ratings of these assets are monitored for credit deterioration. Measurement for impairment is limited to 12-month expected credit loss. Other financial assets at amortised cost are monitored for its credit rating deterioration, and the measurement of impairment follows a three-stage approach in note 37.1(c).

(b) Risk limit control and mitigation policies

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

The Company 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 Company 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);
- Movable properties
- Cash in the form of margin deposits, if any.

37. Financial risk management (continued)

37.1 Credit risk (continued)

(c) Impairment (expected credit loss) policies

The measurement of expected credit loss allowance under the CIFRS 9's three-stage approach is to recognise lifetime expected credit loss 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 expected credit loss allowance.

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 expected credit loss 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 expected credit loss allowance are recognised.
- Stage 3 includes financial instruments that have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit loss allowance are recognised.
- Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their expected credit loss allowance is always measured on a lifetime basis (Stage 3).

The key judgements and assumptions adopted by the Company 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 more than 30 days for short term facility and 90 days past due for long term facility.

37. Financial risk management (continued)

37.1 Credit risk (continued)

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

(ii) Definition of default and credit impaired

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

- Where the principal or interest or both of any of the credit facility is past due for more than 90 days or 3 months; or
- Where the amount is past due or the outstanding amount has been in excess of the approved limit for 90 days or 3 months or less, the loan exhibits credit weaknesses and is downgraded to Impaired High Risk; or
- When an obligor/counterparty has multiple loans with the Company 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) Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised (see 2.6(c)) and ECL are measured as follows.

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

(iv) 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 collective basis.

37. Financial risk management (continued)

37.1 Credit risk (continued)

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

(iv) Measuring (ECL - inputs, assumptions and estimation techniques) (continued)

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.

Probability of default

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 is the total amount that the Company is exposed to at the time the borrower defaults.

For amortising products and bullet repayment loans, the 12-month and lifetime EADs are determined based on the expected payment profile which is the contractual repayments owed by the borrower over a 12-month or remaining maturity.

Loss Given Default

LGD represents the Company'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.

37. Financial risk management (continued)

37.1 Credit risk (continued)

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

(iv) Measuring (ECL - inputs, assumptions and estimation techniques) (continued)

Loss Given Default (continued)

LGDs are determined based on historical data available for each portfolio to assess cooling-off period which cut-off at month where cumulative recovery amount is more than 90%. These vary by product type.

For portfolio 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 year.

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

The calculation of ECL incorporate forward-looking information. The Company has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio.

These economic variables and their associated impact on the PD vary by financial instrument. Expert judgement has also been applied in this process. The historical and forecasts of these economic variables (the base economic scenario) are sourced from external research house. The impact of these economic variables on the PD has been determined by performing statistical regression analysis to understand the impact changes in these variables have had historically on default rates, while LGD is based historical recovery post default and the Company's consideration of projected collateral value through collateral haircut, except for Group loan portfolio that has incorporated forward-looking information and EAD is based on the expected payment profiles.

In addition to the based economic scenario, the Company considers other possible scenarios along with scenario weightings. The number of other scenarios used is set based on the analysis of each major product type to ensure non-linearities are captured. The number of scenarios and their attributes are reassessed at each reporting date. At 31 December 2024 and 31 December 2023, the Company concluded that three scenarios appropriately captured non-linearities. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement, taking account of the range of possible outcomes each chosen scenario is representative of.

To consider the effect of the changes in the economy and external environment on the Company's loans and advances, the management continuously refreshes the macroeconomic variables quarterly to reflect the current economic condition in its forward-looking model. For the year ended 31 December 2024, the management has refreshed the latest macroeconomics variables available which were up to 31 December 2024.

37. Financial risk management (continued)

37.1 Credit risk (continued)

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

(v) Forward-looking information incorporated into the ECL models (continued)

Having reflected the most recent economic conditions within the existing ECL model, the management determines that the percentages for probability-weighted scenarios of 70% (2023: 70%) for base case, 20% (2023: 15%) for best case, and 10% (2023: 15%) for worst case reflect the current economic prospect from external research houses.

As with any economic forecasts, the projects and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Company considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearities and asymmetries within the Company's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

Macroeconomic variable assumptions

The weightings assigned to each economic scenario as at 31 December 2024 and 31 December 2023 are as follows:

	Base %	Best %	Worst %
As at 31 December 2024			
Scenario probability weighting	70%	20%	10%
As at 31 December 2023			
Scenario probability weighting	70%	15%	15%

Sensitivity analysis

The Company has used different macro-economic variable pairs for each portfolio based on the result of statistical regression analysis and expert judgement which makes intuitive or business sense. The Company regularly performs statistical testing on its forward looking models and refreshes macro-economic variable pairs that are fit for use based on the latest qualitative and quantitative data available. The macro-economic variable pairs that have been used for the year ended 31 December 2024 and 31 December 2023 are as follows:

37. Financial risk management (continued)

37.1 Credit risk (continued)

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

(v) Forward-looking information incorporated into the ECL models (continued)

Sensitivity analysis (continued)

Model	Portfolio	2024	2023
PD	Group loan	USDKHR	Unemployment
		Foreign direct investment (% of GDP)	Private consumption expenditure
	Individual loan	USDKHR	USDKHR
		Foreign direct investment (% of GDP)	Foreign direct investment (% of GDP)
	Life improvement loan asset backed	Unemployment	Unemployment
		Goods & Services GDP	Foreign direct investment (% of GDP)
	Home improvement loan	Foreign direct investment (% of GDP)	Foreign direct investment (% of GDP)
		USDKHR	USDKHR
	Seasonal loan	Current account balance GDP	Current account balance GDP
		Foreign direct investment (% of GDP)	Foreign direct investment (% of GDP)
	SME loan	USDKHR	GDP constant 2000
		Foreign direct investment (% of GDP)	
	Staff loan	Crude oil brent	Crude oil brent
		Private consumption expenditure	Private consumption expenditure
LGD	Group loan	N/A	N/A
		N/A	N/A

37. Financial risk management (continued)

37.1 Credit risk (continued)

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

(v) Forward-looking information incorporated into the ECL models (continued)

Sensitivity analysis (continued)

Set out below are the estimated changes to the ECL for the year ended 31 December 2024 and 31 December 2023 due to the possible changes in the macro-economic variables from the actual assumption used. The changes in the macro-economic variables (MEVs) are set to change together with their own pairs and are each analysed for a sensitivity range within a standard deviation, a common statistical term predicting the variation from the forecasted macro-economic variables.

	ECL		ECL	
	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Group loan				
Variation added to MEVs	(129,693)	1,371,142	(32,222)	335,653
Variation deducted from MEVs	126,904	5,220,259	31,529	1,277,909
Individual loan				
Variation added to MEVs	391,645	1,281,478	97,303	313,703
Variation deducted from MEVs	(411,473)	1,281,478	(102,229)	313,703
Life improvement loan asset backed				
Variation added to MEVs	(4,652,060)	(4,221,570)	(1,155,791)	(1,033,432)
Variation deducted from MEVs	3,201,998	2,809,296	795,527	687,710
Home improvement loan				
Variation added to MEVs	(40,706)	(24,592)	(10,113)	(6,020)
Variation deducted from MEVs	36,579	21,692	9,088	5,310
Seasonal loan				
Variation added to MEVs	97,991	864,181	24,346	211,550
Variation deducted from MEVs	(112,657)	783,291	(27,989)	191,748
SME loan				
Variation added to MEVs	(1,388,434)	2,922,328	(344,953)	715,380
Variation deducted from MEVs	1,320,434	(6,066,537)	328,058	(1,485,076)
Staff loan				
Variation added to MEVs	1,418	2,839	352	695
Variation deducted from MEVs	(1,563)	(3,096)	(388)	(758)

37. Financial risk management (continued)

37.1 Credit risk (continued)

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

(vi) 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 group to be statistically credible. Where sufficient information is not available internally, the Company 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.

(vii) Write off

Write-off is usually taken when relevant recovery actions have been exhausted or further recovery is not economically feasible or justifiable. When a loan or debt instrument is deemed uncollectible, it is written off against the related allowance for impairment. Such loans are either written off in full or partially after taking into consideration the realisable value of collateral (if any) and when in the judgement of the management, there is no prospect of recovery. All write-offs must be approved by the Board or its delegated authorities.

Recoveries of amounts previously written off are included in 'Net gains or losses on the derecognition of financial assets measured at amortised cost' in the statement of profit and loss.

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

(viii) Modification of loans

The Company sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Company assesses whether or not the new terms are substantially different from the original terms. The Company 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.

37. Financial risk management (continued)

37.1 Credit risk (continued)

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

(viii) Modification of loans (continued)

- 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 Company monitors the subsequent performance of modified assets. The Company 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.

(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 Company would have to pay if the obligations of the instruments issued are called upon. The table below shows the maximum exposure to credit risk for the Company on financial instruments subject to impairment:

	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Credit risk exposure relating to on-balance sheet assets:				
Deposits and placements with banks	556,774,147	672,287,486	138,328,981	164,574,660
Investment securities at amortised cost	3,339,960	-	829,804	-
Loans and advances at amortised cost	5,135,970,992	5,003,139,376	1,276,017,638	1,224,758,721
Other financial assets	3,105,224	5,406,074	771,484	1,323,396
Total maximum credit risk exposure that are subject to impairment	5,699,190,323	5,680,832,936	1,415,947,907	1,390,656,777

37. Financial risk management (continued)

37.1 Credit risk (continued)

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

Credit risk exposure relating to off-balance sheet assets:

	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Total maximum credit risk exposure that are subject to impairment	368,251	-	91,491	-

The above table represents a worst-case scenario of credit risk exposure to the Company, since collateral held and/or other credit enhancement attached were not taken into account. The exposures set out above are based on net carrying amounts. As shown above, 90% (2023: 88%) 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 Company's loans and advances due to the following:

- Almost all loans and advances are collateralised and loan to collateral value range from 50% to 80%.
- The Company has a proper credit evaluation process in place for granting of loans and advances to customers.
- All of the deposits and placement with banks are held with local banks and management has done proper risk assessment and believe there will be no material loss from these local banks.

(e) Credit quality of financial assets

The Company assesses credit quality of loans, advances and financing using internal rating techniques tailored to the various categories of products and counterparties. These techniques have been developed internally and combine statistical analysis with credit officers judgement.

37. Financial risk management (continued)

37.1 Credit risk (continued)

(e) Credit quality of financial assets (continued)

Credit quality description is summarised as follows:

Credit quality	Description
Standard monitoring	Obligors in this category exhibit strong capacity to meet financial commitment. The Company monitors obligors in this category by delinquency status. Obligors that are less than 30 days past due on its contractual payments for both short-term and long-term facilities are in standard monitoring.
Special monitoring	Obligors in this category have a fairly acceptable capacity to meet financial commitments. The Company monitors obligors in this category by delinquency status. Obligors that are 30 days past due on its contractual payments are included in special monitoring.
Default/Credit impaired	Obligors are assessed to be impaired.

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 National Bank of Cambodia/government or guarantee by the National Bank of Cambodia/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.

37. Financial risk management (continued)

37.1 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:

	2024				2023			
	12-month ECL KHR'000	Lifetime ECL not Credit-Impaired KHR'000	Lifetime ECL Credit-Impaired KHR'000	Total KHR'000	12-month ECL KHR'000	Lifetime ECL not Credit-Impaired KHR'000	Lifetime ECL Credit-Impaired KHR'000	Total KHR'000
Deposits and placements with banks								
Investment grade	109,614,660	-	-	109,614,660	200,832,158	-	-	200,832,158
Un-graded	452,607,090	-	-	452,607,090	477,707,943	-	-	477,707,943
Gross carrying amount	562,221,750	-	-	562,221,750	678,540,101	-	-	678,540,101
Less: Expected credit loss	(5,447,603)	-	-	(5,447,603)	(6,252,615)	-	-	(6,252,615)
Net carrying amount	556,774,147	-	-	556,774,147	672,287,486	-	-	672,287,486
In US$ equivalent (Note 2.4(iii))	138,328,981	-	-	138,328,981	164,574,660	-	-	164,574,660

37. Financial risk management (continued)

37.1 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: (continued)

	2024				2023			
	12-month ECL KHR'000	Lifetime ECL not Credit-Impaired KHR'000	Lifetime ECL Credit-Impaired KHR'000	Total KHR'000	12-month ECL KHR'000	Lifetime ECL not Credit-Impaired KHR'000	Lifetime ECL Credit-Impaired KHR'000	Total KHR'000
Loans and advances at amortised cost								
Standard monitoring	4,515,237,712	-	-	4,515,237,712	4,921,687,690	-	-	4,921,687,690
Special monitoring	-	438,448,450	-	438,448,450	-	50,381,792	-	50,381,792
Default	-	-	362,678,380	362,678,380	-	-	119,912,081	119,912,081
Gross carrying amount	4,515,237,712	438,448,450	362,678,380	5,316,364,542	4,921,687,690	50,381,792	119,912,081	5,091,981,563
Less: Expected credit loss	(18,919,816)	(17,235,755)	(144,237,979)	(180,393,550)	(23,447,275)	(5,771,271)	(59,623,641)	(88,842,187)
Net carrying amount	4,496,317,896	421,212,695	218,440,401	5,135,970,992	4,898,240,415	44,610,521	60,288,440	5,003,139,376
In US$ equivalent ((Note 2.4(iii))	1,117,097,614	104,649,117	54,270,907	1,276,017,638	1,199,079,661	10,920,568	14,758,492	1,224,758,721

37. Financial risk management (continued)

37.1 Credit risk (continued)

(f) Loss allowance

Expected credit loss reconciliation – loans and advances at amortised cost

	2024			
	Stage 1 12-month ECL KHR'000	Stage 2 Lifetime ECL not Credit-Impaired KHR'000	Stage 3 Lifetime ECL Credit-Impaired KHR'000	Total KHR'000
Expected Credit Losses				
Loss allowance as at 1 January	23,447,275	5,771,271	59,623,641	88,842,187
Changes due to exposure:				
Transfer to stage 1	1,003,559	(449,157)	(554,402)	-
Transfer to stage 2	(2,997,261)	4,407,275	(1,410,014)	-
Transfer to stage 3	(4,698,057)	(3,345,245)	8,043,302	-
Net remeasurement of loss allowance (*)	332,199	9,615,312	86,160,064	96,107,575
New financial assets originated	9,457,305	5,743,334	10,170,610	25,371,249
Financial assets derecognised during the year other than write off	(6,912,451)	(933,980)	(2,266,685)	(10,113,116)
Write offs	(14,921)	(216,826)	(32,877,215)	(33,108,962)
Unwinding of discount (**)	-	-	7,771,542	7,771,542
Foreign exchange difference	(697,832)	(3,356,229)	9,577,136	5,523,075
Loss allowance as at 31 December	18,919,816	17,235,755	144,237,979	180,393,550
In US$ equivalent (Note 2.4(iii))	4,700,575	4,282,175	35,835,523	44,818,273

(*) Impact of the measurement of ECL due to changes in probability of default (PD) and loss given default (LGD) during the year arising from refreshing of inputs to models.

(**) The unwinding of discount on Stage 3 loans is reported within 'Interest income' so that interest income is recognised on the amortised cost (after deducting the ECL allowance).

37. Financial risk management (continued)

37.1 Credit risk (continued)

(f) Loss allowance (continued)

Expected credit loss reconciliation – loans and advances at amortised cost (continued)

	2024			
	Stage 1 12-month ECL KHR'000	Stage 2 Lifetime ECL not Credit-Impaired KHR'000	Stage 3 Lifetime ECL Credit-Impaired KHR'000	Total KHR'000
Gross carrying amount				
Gross carrying amount as at 1 January	4,921,687,690	50,381,792	119,912,081	5,091,981,563
Changes due to exposure:				
Transfer to stage 1	5,949,651	(4,811,810)	(1,137,841)	-
Transfer to stage 2	(359,294,095)	362,753,813	(3,459,718)	-
Transfer to stage 3	(253,960,311)	(23,008,110)	276,968,421	-
New financial assets originated or purchased	1,942,547,059	63,839,065	40,362,100	2,046,748,224
Financial assets derecognised during the year other than write offs	(1,741,632,384)	(10,222,805)	(5,167,627)	(1,757,022,816)
Write-offs	(59,898)	(483,495)	(64,799,036)	(65,342,429)
Gross carrying amount as at 31 December	4,515,237,712	438,448,450	362,678,380	5,316,364,542
In US$ equivalent (Note 2.4(iii))	1,121,798,189	108,931,292	90,106,430	1,320,835,911

37. Financial risk management (continued)

37.1 Credit risk (continued)

(f) Loss allowance (continued)

Expected credit loss reconciliation – loans and advances at amortised cost (continued)

	2023			
	Stage 1 12-month ECL KHR'000	Stage 2 Lifetime ECL not Credit-Impaired KHR'000	Stage 3 Lifetime ECL Credit-Impaired KHR'000	Total KHR'000
Expected Credit Losses				
Loss allowance as at 1 January	57,944,061	10,213,409	83,810,681	151,968,151
Changes due to exposure:				
Transfer to stage 1	5,814,773	(2,338,229)	(3,476,544)	-
Transfer to stage 2	(632,406)	2,599,952	(1,967,546)	-
Transfer to stage 3	(3,159,635)	(2,258,775)	5,418,410	-
Net remeasurement of loss allowance (*)	(60,013,529)	(1,788,978)	47,860,508	(13,941,999)
New financial assets originated	11,478,479	2,145,500	6,486,417	20,110,396
Financial assets derecognised during the year other than write offs	(20,090,706)	(4,937,946)	(4,025,552)	(29,054,204)
Write-offs	-	(7,060)	(48,628,268)	(48,635,328)
Unwinding of discount (**)	-	-	(2,311,847)	(2,311,847)
Foreign exchange difference	32,106,238	2,143,398	(23,542,618)	10,707,018
Loss allowance as at 31 December	23,447,275	5,771,271	59,623,641	88,842,187
In US$ equivalent (Note 2.4(iii))	5,739,847	1,412,796	14,595,750	21,748,393

(*) Impact of the measurement of ECL due to changes in probability of default (PD) and loss given default (LGD) during the year arising from refreshing of inputs to models.

(**) The unwinding of discount on Stage 3 loans is reported within 'Interest income' so that interest income is recognised on the amortised cost (after deducting the ECL allowance).

37. Financial risk management (continued)

37.1 Credit risk (continued)

(f) Loss allowance (continued)

Expected credit loss reconciliation – loans and advances at amortised cost (continued)

	2023			
	Stage 1 12-month ECL KHR'000	Stage 2 Lifetime ECL not Credit-Impaired KHR'000	Stage 3 Lifetime ECL Credit-Impaired KHR'000	Total KHR'000
Gross carrying amount				
Gross carrying amount as at 1 January	4,948,939,886	73,840,698	135,912,040	5,158,692,624
Changes due to exposure:				
Transfer to stage 1	20,862,635	(11,885,640)	(8,976,995)	-
Transfer to stage 2	(24,081,754)	29,380,068	(5,298,314)	-
Transfer to stage 3	(68,701,734)	(9,720,799)	78,422,533	-
New financial assets originated or purchased	1,791,964,697	929,980	11,975,664	1,804,870,341
Financial assets derecognised during the year other than write off	(1,747,296,040)	(32,154,410)	(9,093,753)	(1,788,544,203)
Write-offs	-	(8,105)	(83,029,094)	(83,037,199)
Gross carrying amount as at 31 December	4,921,687,690	50,381,792	119,912,081	5,091,981,563
In US$ equivalent (Note 2.4(iii))	1,204,819,508	12,333,364	29,354,242	1,246,507,114

37. Financial risk management (continued)

37.1 Credit risk (continued)

(g) Concentration of financial assets with credit risk exposure

(i) Industry sector

The following table breaks down the Company's main credit exposure at their gross carrying amounts less impairment if any, as categorised by the industry sectors of its counterparties.

	2024					2023			
	Deposits and placements with banks	Investment securities at amortised cost	Loans and advances at amortised cost	Other financial assets	Total	Deposits and placements with banks	Loans and advances at amortised cost	Other financial assets	Total
	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000
Financial institutions	562,221,750	-	-	-	562,221,750	678,540,101	-	-	678,540,101
Government	-	3,339,960	-	-	3,339,960	-	-	-	-
Household/family	-	-	1,417,524,512	-	1,417,524,512	-	1,361,399,479	-	1,361,399,479
Agriculture	-	-	1,419,397,914	-	1,419,397,914	-	1,358,578,944	-	1,358,578,944
Trade and commerce	-	-	998,980,153	-	998,980,153	-	979,429,343	-	979,429,343
Services	-	-	834,410,205	-	834,410,205	-	778,684,244	-	778,684,244
Manufacturing	-	-	367,318,354	-	367,318,354	-	334,987,960	-	334,987,960
Construction	-	-	201,516,695	-	201,516,695	-	206,357,866	-	206,357,866
Transportation	-	-	77,216,709	-	77,216,709	-	72,543,727	-	72,543,727
Others	-	-	-	3,105,224	3,105,224	-	-	5,406,074	5,406,074
Gross carrying amount	562,221,750	3,339,960	5,316,364,542	3,105,224	5,885,031,476	678,540,101	5,091,981,563	5,406,074	5,775,927,738
Less: expected credit loss	(5,447,603)	-	(180,393,550)	-	(185,841,153)	(6,252,615)	(88,842,187)	-	(95,094,802)
Net carrying amount	556,774,147	3,339,960	5,135,970,992	3,105,224	5,699,190,323	672,287,486	5,003,139,376	5,406,074	5,680,832,936
In US$ equivalent (Note 2.4(iii))	138,328,981	829,804	1,276,017,638	771,484	1,415,947,906	164,574,660	1,224,758,721	1,323,396	1,390,656,778

37. Financial risk management (continued)

37.1 Credit risk (continued)

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

(ii) Geographical sector

All of the Company's financial assets are located in Cambodia. Therefore, the Company's credit exposure is within Cambodia only.

(h) Repossessed collateral

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

The Company did not obtain assets by taking possession of collateral held as security as at 31 December 2024 and 31 December 2023.

37.2 Market risk

The Company 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.

The Company does not use derivative financial instruments such as foreign exchange contract and interest rate swaps to hedge its risk exposure.

(i) Foreign exchange risk

The Company operates in Cambodia and transacts in Khmer Riel, United States Dollars and Thai Baht (THB), and is exposed to various currency risks, primarily with respect to US$ and THB.

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

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

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

The table below summarises the Company's exposure to foreign currency exchange rate risk. Included in the table are and Company's financial instruments at their carrying amounts by currency in KHR equivalent.

37. Financial risk management (continued)

37.2 Market risk (continued)

(i) Foreign exchange risk (continued)

	In KHR'000 equivalent			
	KHR	US$	THB	Total
As at 31 December 2024				
Financial assets				
Cash on hand	28,465,584	73,009,717	6,546,089	108,021,390
Deposits and placements with the National Bank of Cambodia	42,943,113	178,771,266	-	221,714,379
Deposits and placements with banks	192,679,979	364,094,168	-	556,774,147
Investment securities at amortised cost	3,339,960	-	-	3,339,960
Loans and advances at amortised cost	1,587,921,064	3,473,628,099	74,421,829	5,135,970,992
Financial assets at fair value through other comprehensive income	-	60,375	-	60,375
Other financial assets	1,059,754	1,964,839	80,631	3,105,224
Total financial assets	1,856,409,454	4,091,528,464	81,048,549	6,028,986,467
Financial liabilities				
Deposits from banks and other financial institutions	5,890,153	331,064,286	2,250	336,956,689
Deposits from customers	333,288,220	3,357,061,048	3,244,479	3,693,593,747
Borrowings	197,867,593	394,611,323	-	592,478,916
Subordinated debts	-	178,978,277	-	178,978,277
Lease liabilities	-	28,859,765	-	28,859,765
Other liabilities	2,530,372	4,037,280	33,906	6,601,558
Total financial liabilities	539,576,338	4,294,611,979	3,280,635	4,837,468,952
Net on-balance sheet position	1,316,833,116	(203,083,515)	77,767,914	1,191,517,515
In US$ equivalent (Note 2.4(iii))	327,163,507	(50,455,532)	19,321,221	296,029,196

37. Financial risk management (continued)

37.2 Market risk (continued)

(i) Foreign exchange risk (continued)

	In KHR'000 equivalent			
	KHR	US$	THB	Total
As at 31 December 2023				
Financial assets				
Cash on hand	31,087,701	78,918,818	14,365,489	124,372,008
Deposits and placements with the National Bank of Cambodia	41,226,151	92,966,073	-	134,192,224
Deposits and placements with banks	286,561,273	385,726,213	-	672,287,486
Loans and advances at amortised cost	1,472,322,801	3,382,541,229	148,275,346	5,003,139,376
Financial assets at fair value through other comprehensive income	-	61,275	-	61,275
Other financial assets	1,611,447	3,649,505	145,122	5,406,074
Total financial assets	1,832,809,373	3,943,863,113	162,785,957	5,939,458,443
Financial liabilities				
Deposits from banks and other financial institutions	16,538,892	176,976,105	60,865	193,575,862
Deposits from customers	368,155,614	3,123,132,366	7,640,595	3,498,928,575
Borrowings	125,834,726	715,664,975	42,596,399	884,096,100
Subordinated debts	-	253,753,175	-	253,753,175
Lease liabilities	-	27,481,666	-	27,481,666
Other liabilities	1,778,370	2,315,817	20,712	4,114,899
Total financial liabilities	512,307,602	4,299,324,104	50,318,571	4,861,950,277
Net on-balance sheet position	1,320,501,771	(355,460,991)	112,467,386	1,077,508,166
In US$ equivalent (Note 2.4(iii))	323,256,248	(87,016,154)	27,531,796	263,771,889

37. Financial risk management (continued)

37.2 Market risk (continued)

(i) Foreign exchange risk (continued)

Sensitivity analysis

As shown in the table above, the Company is primarily exposed to changes in KHR/US$ and KHR/THB exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from US$ and THB denominated financial instruments.

	Impact on post tax profit KHR'000	Impact on other component of equity KHR'000	Impact on post tax profit US$	Impact on other component of equity US$
2024				
KHR/US$ exchange rate-increase by 2%	3,185,624	-	791,459	-
KHR/US$ exchange rate-decrease by 2 %	(3,315,650)	-	(823,764)	-
KHR/THB exchange rate-increase by 7%	(4,070,097)	-	(1,011,204)	-
KHR/THB exchange rate-decrease by 7 %	4,682,799	-	1,163,428	-
2023				
KHR/US$ exchange rate-increase by 2%	5,575,858	-	1,364,959	-
KHR/US$ exchange rate-decrease by 2%	(5,803,443)	-	(1,420,672)	-
KHR/THB exchange rate-increase by 6%	(5,092,862)	-	(1,246,723)	-
KHR/THB exchange rate-decrease by 6%	5,743,015	-	1,405,879	-

(ii) Price risk

The Company's exposure to equity securities price risk arises from investment held by the Company and classified as FVOCI. The investment amount is insignificant, so the Company did not have any policy to manage its price risk arising from investments in equity securities.

37. Financial risk management (continued)

37.2 Market risk (continued)

(iii) 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 Company's main interest rate risk arises from borrowings with variable rates, which exposes the Company to cash flow interest rate risk. The Company's borrowing consists of both fixed rates and variable rates, in which majority of the borrowings are at fixed rates as the Company's policy is to maintain at least 70% of its borrowing at fixed rate. The Company does not have fair value interest rate risk as the interest rates of financial instruments measured at amortised cost are similar to prevailing market rates.

The management of the Company 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.

37. Financial risk management (continued)

37.2 Market risk (continued)

(iii) Interest rate risk (continued)

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

As at 31 December 2024	Up to 1 month KHR'000	1 to 3 months KHR'000	3 to 12 months KHR'000	1 to 5 years KHR'000	Over 5 years KHR'000	Non-interest rate sensitive KHR'000	Total KHR'000
Financial assets							
Cash on hand	-	-	-	-	-	108,021,390	108,021,390
Deposits and placements with the National Bank of Cambodia	-	705,852	1,615,969	-	-	219,392,558	221,714,379
Deposits and placements with banks	184,526,844	-	44,436,164	-	-	327,811,139	556,774,147
Investment securities at amortised cost	-	-	-	3,339,960	-	-	3,339,960
Financial assets at fair value through other comprehensive income	-	-	-	-	-	60,375	60,375
Loans and advances at amortised cost	17,201,018	31,491,144	158,320,070	2,553,078,197	2,375,880,563	-	5,135,970,992
Other financial assets	-	-	-	-	-	3,105,224	3,105,224
Total financial assets	201,727,862	32,196,996	204,372,203	2,556,418,157	2,375,880,563	658,390,686	6,028,986,467

37. Financial risk management (continued)

37.2 Market risk (continued)

(iii) Interest rate risk (continued)

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

As at 31 December 2024	Up to 1 month KHR'000	1 to 3 months KHR'000	3 to 12 months KHR'000	1 to 5 years KHR'000	Over 5 years KHR'000	Non-interest rate sensitive KHR'000	Total KHR'000
Financial liabilities							
Deposits from banks and other financial institutions	25,802,939	135,243,980	175,909,318	-	-	452	336,956,689
Deposits from customers	483,957,447	491,159,664	2,282,531,752	434,286,842	-	1,658,042	3,693,593,747
Borrowings	78,659,891	119,465,600	394,353,425	-	-	-	592,478,916
Subordinated debts	-	-	17,982,276	160,996,001	-	-	178,978,277
Lease liabilities	-	16,659	161,378	10,038,266	18,643,462	-	28,859,765
Other financial liabilities	-	-	-	-	-	6,601,558	6,601,558
Total financial liabilities	588,420,277	745,885,903	2,870,938,149	605,321,109	18,643,462	8,260,052	4,837,468,952
Net interest repricing gap	(386,692,415)	(713,688,907)	(2,666,565,946)	1,951,097,048	2,357,237,101	650,130,634	1,191,517,515
In US$ equivalent (Note 2.4(iii))	(96,072,650)	(177,314,014)	(662,500,856)	484,744,608	585,648,969	161,523,139	296,029,196

37. Financial risk management (continued)

37.2 Market risk (continued)

(iii) Interest rate risk (continued)

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

As at 31 December 2023	Up to 1 month KHR'000	1 to 3 months KHR'000	3 to 12 months KHR'000	1 to 5 years KHR'000	Over 5 years KHR'000	Non-interest rate sensitive KHR'000	Total KHR'000
Financial assets							
Cash on hand	-	-	-	-	-	124,372,008	124,372,008
Deposits and placements with the National Bank of Cambodia	-	707,140	4,069,380	-	-	129,415,704	134,192,224
Deposits and placements with banks	312,427,950	41,375,540	-	-	-	318,483,996	672,287,486
Financial assets at fair value through other comprehensive income	-	-	-	-	-	61,275	61,275
Loans and advances at amortised cost	9,047,867	27,713,423	190,744,949	2,730,692,162	2,044,940,975	-	5,003,139,376
Other financial assets	-	-	-	-	-	5,406,074	5,406,074
Total financial assets	321,475,817	69,796,103	194,814,329	2,730,692,162	2,044,940,975	577,739,057	5,939,458,443

37. Financial risk management (continued)

37.2 Market risk (continued)

(iii) Interest rate risk (continued)

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

As at 31 December 2023	Up to 1 month KHR'000	1 to 3 months KHR'000	3 to 12 months KHR'000	1 to 5 years KHR'000	Over 5 years KHR'000	Non-interest rate sensitive KHR'000	Total KHR'000
Financial liabilities							
Deposits from banks and other financial institutions	23,823,303	81,861,284	87,891,275	-	-	-	193,575,862
Deposits from customers	453,837,227	550,133,562	2,164,436,837	328,781,934	1,739,015	-	3,498,928,575
Borrowings	-	44,214,014	236,460,770	603,421,316	-	-	884,096,100
Subordinated debts	-	-		253,753,175	-	-	253,753,175
Lease liabilities	-	45,989	39,784	11,493,131	15,902,762	-	27,481,666
Other financial liabilities	-	-	-	-	-	4,114,899	4,114,899
Total financial liabilities	477,660,530	676,254,849	2,488,828,666	1,197,449,556	17,641,777	4,114,899	4,861,950,277
Net interest repricing gap	(156,184,713)	(606,458,746)	(2,294,014,337)	1,533,242,606	2,027,299,198	573, 624,158	1,077,508,166
In US$ equivalent (Note 2.4(iii))	(38,233,712)	(148,459,913)	(561,570,217)	375,334,787	496,278,873	140,422,071	263,771,889

37. Financial risk management (continued)

37.2 Market risk (continued)

(iii) Interest rate risk (continued)

Sensitivity analysis

Profit or loss is sensitive to higher/lower interest income from financial instruments as a result of changes in interest rates.

As at 31 December 2024, there is no variable interest rate subject to sensitivity analysis (31December 2023: nil).

37.3 Liquidity risk

Liquidity risk is the risk that the Company 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.

(a) Liquidity risk management process

The Company'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.

(b) Funding approach

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

(c) Non-derivative cash flows

The table below presents the cash flows payable by the Company 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 Company manages the inherent liquidity risk based on expected undiscounted cash flows.

37. Financial risk management (continued)

37.3 Liquidity risk (continued)

(c) Non-derivative cash flows (continued)

As at 31 December 2024	Carrying amount KHR'000	Gross nominal Inflows/ (outflow) KHR'000	Up to 1 month KHR'000	1 to 3 months KHR'000	3 to 12 months KHR'000	1 to 5 years KHR'000	Over 5 years KHR'000	Total KHR'000
Financial assets								
Cash on hand	108,021,390	108,021,390	108,021,390	-	-	-	-	108,021,390
Deposits and placements with the National Bank of Cambodia	221,714,379	221,729,218	219,393,362	706,962	1,628,894	-	-	221,729,218
Deposits and placements with banks	556,774,147	564,327,133	518,081,549	-	46,245,584	-	-	564,327,133
Investment securities at amortised cost	3,339,960	3,671,043	-	-	148,497	3,522,546	-	3,671,043
Financial assets at fair value through other comprehensive income	60,375	60,375	-	-	-	-	60,375	60,375
Loans and advances at amortised cost	5,135,970,992	7,654,082,358	261,333,110	315,971,986	1,423,280,063	4,578,224,495	1,075,272,704	7,654,082,358
Other financial assets	3,105,224	3,105,224	3,105,224	-	-	-	-	3,105,224
Total financial assets by remaining contractual maturities	6,028,986,467	8,554,996,741	1,109,934,635	316,678,948	1,471,303,038	4,581,747,041	1,075,333,079	8,554,996,741

37. Financial risk management (continued)

37.3 Liquidity risk (continued)

(c) Non-derivative cash flows (continued)

As at 31 December 2024	Carrying amount KHR'000	Gross nominal Inflows/ (outflow) KHR'000	Up to 1 month KHR'000	1 to 3 months KHR'000	3 to 12 months KHR'000	1 to 5 years KHR'000	Over 5 years KHR'000	Total KHR'000
Financial liabilities								
Deposits from banks and other financial institutions	336,956,689	342,486,140	25,853,359	136,390,094	180,242,687	-	-	342,486,140
Deposits from customers	3,693,593,747	3,862,635,274	486,703,887	503,624,885	2,389,545,911	479,131,701	3,628,890	3,862,635,274
Borrowings	592,478,916	632,492,335	16,057,395	119,671,515	246,372,346	250,391,079	-	632,492,335
Subordinated debts	178,978,277	206,920,712	-	6,435,120	79,555,594	120,929,998	-	206,920,712
Lease liabilities	28,859,765	36,151,786	687,072	1,377,762	6,430,348	21,828,519	5,828,085	36,151,786
Other financial liabilities	6,601,558	6,601,558	6,601,558	-	-	-	-	6,601,558
Total financial liabilities by remaining contractual maturities	4,837,468,952	5,087,287,805	535,903,271	767,499,376	2,902,146,886	872,281,297	9,456,975	5,087,287,805
Net liquidity surplus/(gap)	1,191,517,515	3,467,708,936	574,031,364	(450,820,428)	(1,430,843,848)	3,709,465,744	1,065,876,104	3,467,708,936
In US$ equivalent (Note 2.4(iii))	296,029,196	861,542,593	142,616,488	(112,005,075)	(355,489,155)	921,606,396	264,813,939	861,542,593

37. Financial risk management (continued)

37.3 Liquidity risk (continued)

(c) Non-derivative cash flows (continued)

As at 31 December 2023	Carrying amount KHR'000	Gross nominal inflows (outflow) KHR'000	Up to 1 month KHR'000	1 to 3 months KHR'000	3 to 12 months KHR'000	1 to 5 years KHR'000	Over 5 years KHR'000	Total KHR'000
Financial assets								
Cash on hand	124,372,008	124,372,008	124,372,008	-	-	-	-	124,372,008
Deposits and placements with the National Bank of Cambodia	134,192,224	134,226,190	129,415,704	709,029	4,101,457	-	-	134,226,190
Deposits and placements with banks	672,287,486	672,382,709	672,382,709	-	-	-	-	672,382,709
Financial assets at fair value through other comprehensive income	61,275	61,275	61,275	-	-	-	-	61,275
Loans and advances at amortised cost	5,003,139,376	7,234,912,560	238,495,030	347,980,953	1,426,253,051	4,399,814,734	822,368,792	7,234,912,560
Other financial assets	5,406,074	5,406,074	4,734,631	-	-	377,323	294,120	5,406,074
Total financial assets by remaining contractual maturities	5,939,458,443	8,171,360,816	1,169,461,357	348,689,982	1,430,354,508	4,400,192,057	822,662,912	8,171,360,816

37. Financial risk management (continued)

37.3 Liquidity risk (continued)

(c) Non-derivative cash flows (continued)

As at 31 December 2023	Carrying amount KHR'000	Gross nominal inflows (outflow) KHR'000	Up to 1 month KHR'000	1 to 3 months KHR'000	3 to 12 months KHR'000	1 to 5 years KHR'000	Over 5 years KHR'000	Total KHR'000
Financial liabilities								
Deposits from banks and other financial institutions	193,575,862	197,813,895	23,912,558	82,733,547	91,167,790	-	-	197,813,895
Deposits from customers	3,498,928,575	3,676,521,708	459,118,939	564,364,362	2,287,966,621	363,332,763	1,739,023	3,676,521,708
Borrowings	884,096,100	960,316,359	16,947,541	99,713,551	339,784,287	503,870,980	-	960,316,359
Subordinated debts	253,753,175	304,587,181	-	7,626,314	86,860,007	210,100,860	-	304,587,181
Lease liabilities	27,481,666	33,594,951	651,663	1,336,207	5,657,871	21,408,805	4,540,405	33,594,951
Other financial liabilities	4,114,899	4,114,899	4,114,899	-	-	-	-	4,114,899
Total financial liabilities by remaining contractual maturities	4,861,950,277	5,176,948,993	504,745,600	755,773,981	2,811,436,576	1,098,713,408	6,279,428	5,176,948,993
Net liquidity (gap)/surplus	1,077,508,166	2,994,411,823	664,715,757	(407,083,999)	(1,381,082,068)	3,301,478,649	816,383,484	2,994,411,823
In US$ equivalent (Note 2.4(iii))	263,771,889	733,026,150	162,721,116	(99,653,366)	(338,086,186)	808,195,508	199,849,078	733,026,150

37. Financial risk management (continued)

37.4 Climate-related risk

Climate-related risks' are potential negative impacts on the Company arising from climate change. Climate-related risks have an impact on the principal risk categories discussed above (i.e. credit, liquidity, market and operational risks), but due to their pervasive nature have been identified and managed by the Company on an overall basis.

The Company distinguishes between physical risks and transition risks. Physical risks arise as the result of acute weather events such as hurricanes, floods and wildfires, and longer-term shifts in climate-related patterns, such as sustained higher temperatures, heat waves, droughts and rising sea levels. Transition risks arise as a result of measures taken to mitigate the effects of climate change and transition to a low-carbon economy – e.g. changes to laws and regulations, litigation due to failure to mitigate or adapt, and shifts in supply and demand for certain commodities, products and services due to changes in consumer behaviour and investor demand.

The Company has set up a Climate Risk Committee, which is responsible for developing Companywide policies, processes and controls to incorporate climate-related risks in the management of principal risk categories.

The Company has developed a climate-related risk framework for:

- identifying risk factors and assessing their potential impact on the Company's financial statements; and
- allocating responsibilities for managing each identified risk factor.

The Company has also set out principles on how to incorporate climate-related risk into stress test scenarios.

37.5 Fair value of financial assets and liabilities

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

37. Financial risk management (continued)

37.5 Fair value of financial assets and liabilities (continued)

(a) Financial instruments measured at fair value

(i) Determination of fair value and fair value hierarchy

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

	Level 1 KHR'000	Level 2 KHR'000	Level 3 KHR'000	Total KHR'000
As at 31 December 2024				
Financial assets				
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	60,375	60,375
Total financial assets	-	-	60,375	60,375
In US$ equivalent (Note 2.4(iii))	-	-	15,000	15,000
As at 31 December 2023				
Financial assets				
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	61,275	61,275
Total financial assets	-	-	61,275	61,275
In US$ equivalent (Note 2.4(iii))	-	-	15,000	15,000

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

37. Financial risk management (continued)

37.5 Fair value of financial assets and liabilities (continued)

(a) Financial instruments measured at fair value (continued)

(i) Determination of fair value and fair value hierarchy (continued)

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(ii) Valuation techniques

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

(b) Financial instruments not measured at fair value

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

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

(i) Deposits and placements with the National Bank of Cambodia and banks

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

(ii) Investment securities at amortised cost

Investment securities include government bonds where were valued at amortised cost and were purchased for the purpose of holding them until maturity and for earning interest.

37. Financial risk management (continued)

37.5 Fair value of financial assets and liabilities (continued)

(b) Financial instruments not measured at fair value (continued)

(iii) Loans and advances to customers

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

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

(iv) Deposits from banks, other financial institutions and customers

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

(v) Lease liabilities

The estimated fair value of lease liabilities with maturities of less than one year approximate the carrying values. For other lease liabilities with maturities of one year or more, the fair values are estimated based on discounted cash flows using prevailing market rates of incremental borrowings.

(vi) 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.

(vii) Borrowings and subordinated debts

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

37. Financial risk management (continued)

37.6 Capital management

The Company'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 National Bank of Cambodia;
- to safeguard the Company's ability to continue as a going concern so that it can continue to provide a return for shareholders and benefits for other stakeholders; and
- to maintain a strong capital base to support business development of the business.

The National Bank of Cambodia requires all micro-finance deposits taking institutions to i) hold the minimum capital requirement, ii) maintain the Company's net worth at least equal to the minimum capital and iii) comply with solvency and liquidity ratios.

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

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

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

The implementation of countercyclical capital buffer is as follows:

NBC's announcement		Requirement for countercyclical capital buffer ratio	Effective until
Reference No.	Issue date		
Circular No. B7-018-001	7 March 2018	0%	Further notice

In addition, on 31 December 2024, the NBC has issued Prakas No.B7-024-745 Prokor setting the required minimum capital adequacy ratio as below:

Capital Adequacy Ratio			
Total Capital Ratio	Tier 1 Capital Ratio	CET1 Capital Ratio	Total Capital Ratio
15%	11%	8%	15%

37. Financial risk management (continued)

37.6 Capital management (continued)

However, on 7 January 2025, the NBC has further issued instruction No. B37-025-023 Sor.Chur.Nor to provide options to DTI in implementation on the new Capital Adequacy framework or current Solvency framework. In case:

- Institution selects to implement the new Capital Adequacy Framework; the institution shall start implementing the new framework from effective date of the Prakas on Capital Adequacy Ratios in DTI. While for the new reporting template, the institution shall submit monthly report on solo basis to NBC no later than the 20th of the following month and quarterly on consolidated basis (if any) no later than the 20th of the first month of the following quarter until further notify.

- Institution selects to implement the Solvency Ratio (old template) shall comply with all conditions of the framework and old reporting template. In parallel, the institution shall prepare the report on new Capital Adequacy Framework (new template) and submit to NBC together with the solvency ratio report (old template).

The table below summarises the composition of regulatory capital:

	31 December		31 December	
	2024 KHR'000	2023 KHR'000	2024 US$ (Note 2.4(iii))	2023 US$ (Note 2.4(iii))
Tier I capital				
Share capital	424,377,400	424,377,400	103,969,218	103,969,218
Retained earnings	241,909,097	268,719,630	60,101,639	65,782,039
Audited net profit for the last financial year	162,843,872	270,086,002	40,458,105	66,116,524
General reserves	380,415,116	380,415,116	93,768,951	93,768,951
Less: Loans to related parties	(2,895,100)	(4,369,644)	(719,280)	(1,069,680)
Less: Intangible asset	(11,814,205)	(7,818,095)	(2,935,206)	(1,913,854)
	1,194,836,180	1,331,410,409	294,643,427	326,653,198
Tier II complementary capital				
Subordinated debts	177,100,000	251,227,500	44,000,000	61,500,000
General provision	51,830,482	56,675,000	12,877,138	13,873,929
Provision for accrued interest receivables (*)	20,130,814	-	5,001,444	-
	249,061,296	307,902,500	61,878,582	75,373,929
Total Capital Tier I + Tier II	1,443,897,476	1,639,312,909	356,522,009	402,027,127

37. Financial risk management (continued)

37.6 Capital management (continued)

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

37.7 Capital allocation

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

38. Tax contingency

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

39. Subsequent event

On 6 January 2025, the Company obtained approval from the NBC on the investment in equity of Serendib Micro Insurance Plc. amounting to US$1,000,000 equivalent to 25% of Serendib Micro Insurance Plc.'s total share capital in response to the Company's request letter dated 18 November 2024.

LOLC (CAMBODIA) PLC.

Financial Statements
for the year ended 31 December 2025
and
Report of the Independent Auditors

Corporate information

Company	LOLC (Cambodia) Plc.
Registration No.	00012829
Registered office	Building No. 666B, Street 271 Sangkat Boeung Tumpun 2 Khan Mean Chey, Phnom Penh Kingdom of Cambodia
Shareholders	LOLC Asia Private Limited TPC-ESOP Co., Ltd.
Board of Directors	Mr. Brindley Chrishantha Gajanayake de Zylva, Chairman Mr. Indrajith Wijesiriwardana, Member Mr. Chitral Nalin Wijesinha, Member Mr. Dulip Rasika Samaraweera, Member Mr. Francisco Kankanamalage Conrad Prasad Nirosh Dias, Member Mr. Chandana Jayanath Kanwel Gamage Don, Member (appointed on 1 February 2026)
Executive committee	Mr. Sok Voeun, Chief Executive Officer Mr. Sok Sophal, Deputy Chief Executive Officer/Chief Finance Officer Mr. Damburae Liyanage Duleep Roshan, Chief Information Officer Mrs. Svoeuy Sodyna, Chief Risk Officer Mr. Perera Hewa Ambepitiyage Chanaka Romesh, Chief Channel Officer Mrs. Chheang Kagna, Chief Digital Financial Services and Deposit Officer Mrs. Leng Thavy, Head of Human Resources Department Mrs. Keo Taraty, Head of Finance Department Mrs. Try Sola, Head of Treasury Department Mr. Bun Bella, Head of Information Technology Department Mr. Soy Dollar, Deputy Head of Marketing (resigned on 25 May 2025) Mr. Teng Pheap, Head of Internal Audit Department Mr. Men Sambo, Head of Legal and Compliance (appointed on 2 July 2025 and resigned on 28 September 2025) Ms. Hoeung Lyhoung, Acting Head of Legal and Compliance (appointed on 29 December 2025) Mr. Touch Chamrong, Acting Head of Digital Marketing (appointed on 19 May 2025) Mrs. Nop Socheat, Head of Sustainability Management Department Mr. Yin Chanthyra, Head of Digital Development Department Mrs. Inn Sreyrath, Head of Digital Banking Department Mr. Kong Kosal, Head of Business Department (appointed on 5 June 2025) Mr. Chann Savoeung, Head of Business Department Mr. Silva Amarasinghage Tharindu Niroshan, Head of Client Business Revival Department (appointed on 7 August 2025) Mrs. Khleang Sovanna, Head of Administration and Procurement Department Mr. Tun Korng, Deputy Head of Credit Department Mr. Muth Pisey, Head of Litigation Department (appointed on 7 August 2025)
Auditors	KPMG Cambodia Ltd

LOLC (Cambodia) Plc.

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Report of the Directors

The Board of Directors ("the Directors") hereby submits their report together with the audited financial statements of LOLC (Cambodia) Plc. ("the Company") for the year ended 31 December 2025.

Principal activities

The principal activity of the Company is to provide micro-finance services ("deposit-taking and lending") to the rural population, micro-enterprises and small and medium enterprises through its head office in Phnom Penh and its various branches in the Kingdom of Cambodia. Its corporate objective is to provide reliable and affordable access to financial services to micro-entrepreneurs and small and medium enterprises.

Financial results

The financial results of the Company for the year ended were as follows:

	2025 KHR'000	2024 KHR'000	2025 US$ (Note 2.4(iii))	2024 US$ (Note 2.4(iii))
Profit before income tax	271,969,611	205,537,202	67,805,938	50,488,137
Income tax expense	(59,816,721)	(42,693,330)	(14,913,169)	(10,487,185)
Profit for the year	212,152,890	162,843,872	52,892,769	40,000,952

Dividends

On 8 September 2025, the Board of Directors approved for a dividend to be paid to its shareholders amounting to KHR32,252,682 thousand (2024: KHR53,895,930 thousand). The dividend distribution was approved by the National Bank of Cambodia on 21 November 2025 and was paid to the shareholders on the same date.

Share capital

The total number of authorised share capital of the Company as at 31 December 2025 was 4,243,774 shares (2024: 4,243,774 shares) with a par value of KHR100,000 per share (2024: KHR100,000). Refer to Note 24 for details.

Reserves and provisions

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

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Expected credit losses on loans and advances

Before the financial statements of the Company were prepared, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad loans and advances and 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 Directors are 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 Company, inadequate to any material extent.

Assets

Before the financial statements of the Company were drawn up, the Directors took reasonable steps to ensure that any assets which were unlikely to be realised in the ordinary course of business at their value as shown in the accounting records of the Company 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 Directors are not aware of any circumstances, which would render the values attributed to the assets in the financial statements of the Company misleading in any material respect.

Valuation methods

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

Contingent and other liabilities

At the date of this report, there is:

(a) no charge on the assets of the Company 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 Company that has arisen since the end of the financial year other than in the ordinary course of banking business.

No contingent or other liability of the Company has become enforceable, or is likely to become enforceable within a period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may have a material effect on the ability of the Company to meet its obligations as and when they become due.

Change of circumstances

At the date of this report, the Directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Company, 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 Company for the financial year were not, in the opinion of the Directors, materially affected by any items, transactions or events of a material and unusual nature. There has not arisen in the interval between the end of the financial year and the date of this report any items, transactions or events of a material and unusual nature likely, in the opinion of the Directors, to substantially affect the results of the operations of the Company for the year in which this report is made.

Subsequent events

At the date of this report, there have been no significant events occurring after the reporting date which would require adjustments or disclosures to be made in the financial statements, except as disclosed in Note 40.

The Board of Directors

The Board of Directors of the Company during the financial year and up to the date of this report are:

Mr. Brindley Chrishantha Gajanayake de Zylva	Chairman
Mr. Indrajith Wijesiriwardana	Member
Mr Chitral Nalin Wijesinha	Member
Mr. Dulip Rasika Samaraweera	Member
Mr. Francisco Kankanamalage Conrad Prasad Nirosh Dias	Member
Mr. Chandana Jayanath Kanwel Gamage Don	Member (appointed on 1 February 2026)

Directors' interests

None of the Directors held or dealt directly or indirectly in the shares of the Company during the financial year.

Directors' benefits

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

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

LOLC (Cambodia) Plc.

Directors' responsibilities in respect of the financial statements

The Directors are responsible for ascertaining that the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2025 and its financial performance and its cash flows for the year then ended in accordance with the Cambodian International Financial Reporting Standards ("CIFRSs").

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

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

ii) comply with the disclosure requirements of 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 the going concern basis unless it is inappropriate to assume that the Company will continue operations in the foreseeable future; and

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

The Directors confirm that the Company has complied with the above requirements in preparing the financial statements.

Approval of the financial statements

I, on behalf of the Board of Directors, hereby approve the accompanying financial statements, together with the notes thereto, which in our opinion, present fairly, in all material respects, the financial position of the Company as at 31 December 2025 and its financial performance and its cash flows of the Company for the year then ended in accordance with the Cambodian International Financial Reporting Standards ("CIFRSs").

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

LOLC (CAMBODIA) Plc.
KINGDOM OF CAMBODIA

Mr. Brindley Chrishantha Gajanayake de Zylva
Chairman

Phnom Penh, Kingdom of Cambodia

Date: 20 March 2026

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

Opinion

We have audited the financial statements of LOLC (Cambodia) Plc. ("the Company"), which comprise the statement of financial position as at 31 December 2025, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information as set out on pages 8 to 112 (hereafter referred to as "the financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with the Cambodia International Financial Reporting Standards ("CIFRSs").

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the Report of the Directors on pages 1 to 4, and the annual report, which is expected to be made available to us after the date of auditors' report.

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

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

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KPMG

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 the 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

For **KPMG Cambodia Ltd**

Guek Teav
Partner

Phnom Penh, Kingdom of Cambodia

20 March 2026

LOLC (Cambodia) Plc.

Statement of financial position
As at 31 December 2025

	Notes	31 December 2025 KHR'000	31 December 2024 KHR'000	31 December 2025 US$ (Note 2.4(iii))	31 December 2024 US$ (Note 2.4(iii))
ASSETS					
Cash on hand	4	92,180,590	108,021,390	22,970,493	26,837,612
Deposits and placements with the National Bank of Cambodia	5	139,948,084	221,714,379	34,873,682	55,084,318
Deposits and placements with banks	6	463,605,580	556,774,147	115,525,936	138,328,981
Investment securities at amortised cost	7	3,324,861	3,339,960	828,523	829,804
Investment in associate	8	4,013,000	-	1,000,000	-
Financial assets at fair value through other comprehensive income	9	60,195	60,375	15,000	15,000
Loans and advances at amortised cost	10	5,242,505,943	5,135,970,992	1,306,380,748	1,276,017,638
Statutory deposits with the National Bank of Cambodia	11	340,478,606	339,868,390	84,843,909	84,439,352
Property and equipment	12	9,353,353	9,624,545	2,330,763	2,391,192
Right-of-use assets	13	29,560,613	30,640,659	7,366,213	7,612,586
Intangible assets	14	10,549,759	11,814,205	2,628,896	2,935,206
Deferred tax assets - net	15	-	23,543,707	-	5,849,368
Other assets	16	23,027,947	20,787,876	5,738,337	5,164,690
TOTAL ASSETS		6,358,608,531	6,462,160,625	1,584,502,500	1,605,505,747
LIABILITIES AND EQUITY					
LIABILITIES					
Deposits from banks and other financial institutions	17	269,871,824	336,956,689	67,249,395	83,715,948
Deposits from customers	18	3,814,670,116	3,693,593,747	950,578,150	917,663,043
Borrowings	19	361,568,498	592,478,916	90,099,301	147,199,731
Lease liabilities	13	27,762,781	28,859,765	6,918,211	7,170,128
Current income tax liabilities	20	26,519,092	28,116,358	6,608,296	6,985,431
Deferred tax liabilities, net	15	549,917	-	137,034	-
Employee benefits	21	1,566,852	1,826,652	390,444	453,827
Other liabilities	22	43,456,183	37,343,832	10,828,854	9,277,970
Subordinated debts	23	68,736,671	178,978,277	17,128,500	44,466,653
TOTAL LIABILITIES		4,614,701,934	4,898,154,236	1,149,938,185	1,216,932,731
EQUITY					
Share capital	24A	424,377,400	424,377,400	103,969,218	103,969,218
Retained earnings		646,262,261	578,409,737	158,544,691	141,614,157
General reserves		380,415,116	380,415,116	93,768,951	93,768,951
Regulatory reserves	25	173,127,727	49,192,708	43,022,491	12,139,107
Other reserves	26	119,724,093	131,611,428	29,717,584	32,679,791
Currency translation reserves		-	-	5,541,380	4,401,792
TOTAL EQUITY		1,743,906,597	1,564,006,389	434,564,315	388,573,016
TOTAL LIABILITIES AND EQUITY		6,358,608,531	6,462,160,625	1,584,502,500	1,605,505,747

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

LOLC (Cambodia) Plc.

Statement of profit or loss and other comprehensive income
For the year ended 31 December 2025

	Notes	2025 KHR'000	2024 KHR'000	2025 US$ (Note 2.4(iii))	2024 US$ (Note 2.4(iii))
Interest income	27	895,915,452	889,181,399	223,364,610	218,418,423
Interest expense	27	(290,319,190)	(347,156,997)	(72,380,750)	(85,275,607)
Net interest income		605,596,262	542,024,402	150,983,860	133,142,816
Fee and commission income	28	18,368,020	16,802,961	4,579,412	4,127,478
Fee and commission expense	28	(673,518)	(641,516)	(167,918)	(157,582)
Net fee and commission income		17,694,502	16,161,445	4,411,494	3,969,896
Other operating income		13,153,974	8,816,472	3,279,475	2,165,677
Other gains/(losses) – net		5,902,526	(1,712,699)	1,471,585	(420,707)
Credit impairment losses	29	(115,257,081)	(110,687,157)	(28,735,248)	(27,189,181)
Net (gains)/losses on derecognition of financial assets measured at amortised cost		2,919,807	(25,999,966)	727,950	(6,386,629)
Net other operating loss		(93,280,774)	(129,583,350)	(23,256,238)	(31,830,840)
Personnel expenses	30	(162,229,259)	(149,481,354)	(40,446,088)	(36,718,584)
Depreciation and amortisation charges	31	(14,715,233)	(14,723,746)	(3,668,719)	(3,616,739)
Other operating expenses	32	(81,095,887)	(58,860,195)	(20,218,371)	(14,458,412)
Profit before income tax		271,969,611	205,537,202	67,805,938	50,488,137
Income tax expense	33	(59,816,721)	(42,693,330)	(14,913,169)	(10,487,185)
Profit for the year		212,152,890	162,843,872	52,892,769	40,000,952
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Currency translation differences		-	-	1,139,588	5,615,596
Other comprehensive income for the year, net of tax		-	-	1,139,588	5,615,596
Total comprehensive income for the year		212,152,890	162,843,872	54,032,357	45,616,548
Profit attributable to:					
Owners of the Company		212,152,890	162,843,872	52,892,769	40,000,952
Total comprehensive income attributable to:					
Owners of the Company		212,152,890	162,843,872	54,032,357	45,616,548

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

LOLC (Cambodia) Plc.

Statement of changes in equity
For the year ended 31 December 2025

	Attributable to owners of the Company													
	Share capital KHR'000	Retained earnings KHR'000	General reserves KHR'000	Regulatory reserves KHR'000	Other reserves KHR'000	Currency translation reserves KHR'000	Total KHR'000	Share capital US$ (Note 2.4(iii))	Retained earnings US$ (Note 2.4(iii))	General reserves US$ (Note 2.4(iii))	Regulatory reserves US$ (Note 2.4(iii))	Other reserves US$ (Note 2.4(iii))	Currency translation reserves US$ (Note 2.4(iii))	Total US$ (Note 2.4(iii))
Balance at 1 January 2025	424,377,400	578,409,737	380,415,116	49,192,708	131,611,428	-	1,564,006,389	103,969,218	141,614,157	93,768,951	12,139,107	32,679,791	4,401,792	388,573,016
Profit for the year	-	212,152,890	-	-	-	-	212,152,890	-	52,892,769	-	-	-	-	52,892,769
Other comprehensive income – currency translation differences	-	-	-	-	-	-	-	-	-	-	-	-	1,139,588	1,139,588
Total comprehensive income for the year	-	212,152,890	-	-	-	-	212,152,890	-	52,892,769	-	-	-	1,139,588	54,032,357
Transactions with owners in their capacity as owners:														
Dividends (Note 24B)	-	(32,252,682)	-	-	-	-	(32,252,682)	-	(8,041,058)	-	-	-	-	(8,041,058)
Transfer from retained earnings to regulatory reserves (Note 25)	-	(123,935,019)	-	123,935,019	-	-	-	-	(30,883,384)	-	30,883,384	-	-	-
Transfer from other reserves to retained earnings (Note 26)	-	11,887,335	-	-	(11,887,335)	-	-	-	2,962,207	-	-	(2,962,207)	-	-
Total transactions with owners	-	(144,300,366)	-	123,935,019	(11,887,335)	-	(32,252,682)	-	(35,962,235)	-	30,883,384	(2,962,207)	-	(8,041,058)
Balance at 31 December 2025	424,377,400	646,262,261	380,415,116	173,127,727	119,724,093	-	1,743,906,597	103,969,218	158,544,691	93,768,951	43,022,491	29,717,584	5,541,380	434,564,315
Balance at 1 January 2024	424,377,400	623,203,250	380,415,116	21,938,040	5,124,641	-	1,455,058,447	103,969,218	153,048,830	93,768,951	5,367,761	1,254,502	(1,213,804)	356,195,458
Profit for the year	-	162,843,872	-	-	-	-	162,843,872	-	40,000,952	-	-	-	-	40,000,952
Other comprehensive income – currency translation differences	-	-	-	-	-	-	-	-	-	-	-	-	5,615,596	5,615,596
Total comprehensive income for the year	-	162,843,872	-	-	-	-	162,843,872	-	40,000,952	-	-	-	5,615,596	45,616,548
Transactions with owners in their capacity as owners:														
Dividends (Note 24B)	-	(53,895,930)	-	-	-	-	(53,895,930)	-	(13,238,990)	-	-	-	-	(13,238,990)
Transfer from retained earnings to regulatory reserves (Note 25)	-	(27,254,668)	-	27,254,668	-	-	-	-	(6,771,346)	-	6,771,346	-	-	-
Transfer from retained earnings to other reserves (Note 26)	-	(126,486,787)	-	-	126,486,787	-	-	-	(31,425,289)	-	-	31,425,289	-	-
Total transactions with owners	-	(207,637,385)	-	27,254,668	126,486,787	-	(53,895,930)	-	(51,435,625)	-	6,771,346	31,425,289	-	(13,238,990)
Balance at 31 December 2024	424,377,400	578,409,737	380,415,116	49,192,708	131,611,428	-	1,564,006,389	103,969,218	141,614,157	93,768,951	12,139,107	32,679,791	4,401,792	388,573,016

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

LOLC (CAMBODIA) PLC.

Statement of cash flows
For the year ended 31 December 2025

	Notes	2025 KHR'000	2024 KHR'000	2025 US$ (Note 2.4(iii))	2024 US$ (Note 2.4(iii))
Cash flows from operating activities					
Cash used in operations	35(a)	(313,575,463)	(51,544,368)	(78,178,874)	(12,661,354)
Interest received		852,543,466	857,923,480	212,551,350	210,740,231
Interest paid		(299,469,944)	(358,883,118)	(74,662,165)	(88,156,010)
Income tax paid	20	(37,320,363)	(58,832,363)	(9,304,503)	(14,451,575)
Employee benefits paid		(7,421,082)	(7,543,083)	(1,850,182)	(1,852,882)
Net cash generated from operating activities		194,756,614	381,120,548	48,555,626	93,618,410
Cash flows from investing activities					
Deposits and placements with the National Bank of Cambodia – maturity more than three months		46,757,181	(41,980,661)	11,657,238	(10,312,125)
Purchases of investment securities at amortised cost	7	-	(3,346,213)	-	(821,963)
Investment in associate	8	(4,011,000)	-	(1,000,000)	-
Purchases of property and equipment	12	(5,157,433)	(2,894,453)	(1,285,822)	(710,993)
Purchases of intangible assets	14	(514,983)	(6,295,155)	(128,393)	(1,546,341)
Proceeds from disposals of property and equipment		200,353	291,330	49,951	71,562
Net cash generated from/(used in) investing activities		37,274,118	(54,225,152)	9,292,974	(13,319,860)
Cash flows from financing activities					
Proceeds from borrowings	35(b)	136,829,165	121,160,750	34,113,479	29,761,914
Repayments of borrowings	35(b)	(364,608,580)	(401,676,040)	(90,902,164)	(98,667,659)
Repayments of subordinated debts	35(b)	(108,631,800)	(71,111,400)	(27,083,470)	(17,467,797)
Payment of transaction costs	35(b)	(680,165)	(660,750)	(169,575)	(162,307)
Payment of dividend to shareholders	24(B)	(32,252,682)	(53,895,930)	(8,041,058)	(13,238,990)
Principal element of lease payments	35(b)	(7,531,334)	(7,839,501)	(1,877,670)	(1,925,694)
Net cash used in financing activities		(376,875,396)	(414,022,871)	(93,960,458)	(101,700,533)
Net decrease in cash and cash equivalents		(144,844,664)	(87,127,475)	(36,111,858)	(21,401,983)
Cash and cash equivalents at beginning of the year		845,200,338	932,327,813	209,987,662	228,232,023
Currency translation differences		-	-	645,919	3,157,620
Cash and cash equivalents at end of the year	34	700,355,674	845,200,338	174,521,723	209,987,660

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

LOLC (CAMBODIA) PLC.

Notes to the financial statements
For the year ended 31 December 2025

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

1. General information

LOLC (Cambodia) Plc. (formerly known as Thaneakea Phum (Cambodia) Ltd.) (the Company), a licensed micro-finance institution, incorporated in the Kingdom of Cambodia and registered with the Ministry of Commerce (MoC) as a public limited liability company under the registration number Co. 1413 E/2002, dated 23 May 2002 and changed to the new registration number 00012829 dated 28 September 2015.

On 11 September 2015, the Company obtained a Micro-finance Deposit Taking Institution ("MDI") license to conduct deposit taking business from the National Bank of Cambodia ("NBC").

The Company is owned by LOLC Asia Private Limited (based in Singapore) and TPC-ESOP Co., Ltd with 96.97% and 3.03% shares respectively.

The principal activity of the Company is to provide micro-finance services (deposit-taking and lending) to the rural population, micro-enterprises and small and medium enterprises through its head office in Phnom Penh and its various branches in the Kingdom of Cambodia. Its corporate objective is to provide reliable and affordable access to financial services to micro-entrepreneurs and small and medium enterprises.

As at 31 December 2025, the Company has 83 office locations (82 branches and a Head Office in Phnom Penh). The Company's registered office is at Building No. 666B, Street 271, Sangkat Boeung Tumpun 2, Khan Mean Chey, Phnom Penh, the Kingdom of Cambodia.

The financial statements were authorised for issue by the Board of Directors on 20 March 2026.

2. Material accounting policies

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

2.1. Changes in material accounting policies

The Company does not have any changes in material accounting policies in the current annual reporting period.

2. Material accounting policies (continued)

2.2. Basis of preparation

The financial statements are prepared in accordance with Cambodian International Financial Reporting Standards ("CIFRSs") which are based on all IFRS accounting standards published by the International Accounting Standard Board including other interpretations and amendments that may occur in any circumstances to each standard.

The financial statements have been prepared under the historical cost convention, except for financial asset of equity instrument that measured at fair value.

The Company discloses the amount for each asset and liability that expected to be recovered or settled no more than 12-month after the reporting period as current, and more than 12-month after the reporting period as non-current.

The preparation of financial statements in conformity with CIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3 to the financial statements.

2.3. New standards and interpretation

Accounting standards issued but not yet effective

A number of new accounting standards and amendments to accounting standard are effective for annual periods beginning after 1 January 2025 and earlier application is permitted; however, the Company has not early adopted any of the new or amended accounting standards in preparing these financial statements.

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

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

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

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

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

2. Material accounting policies (continued)

2.3. New standards and interpretation (continued)

B. CIFRS 18 Presentation and Disclosures in Financial Statements

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

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

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

C. Other accounting standards

The following amendments to accounting standards are not expected to have a significant impact on the Company's consolidated financial statements:

- *Contracts Referencing Nature-dependent Electricity (Amendments to CIFRS 9 and CIFRS 7);*
- *Annual Improvements to CIFRS Accounting Standards (Volume 11); and*
- *CIFRS 19 Subsidiaries without Public Accountability: Disclosures*

2.4. Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The functional currency is the Khmer Riel ("KHR") because of the significant influence of the KHR on its operations.

2. Material accounting policies (continued)

2.4. Foreign currency translation (continued)

(i) Functional and presentation currency (continued)

The financial statements are presented in KHR which is the Company's functional currency. All amounts have been rounded to the nearest thousand Riel, except when otherwise indicated.

(ii) Transactions and balances

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

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

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

Foreign currency differences arising on translation are generally recognized in the statement of profit or loss on a net basis within 'other gains/(losses) – net'.

(iii) Presentation in United States dollars ("US$")

The translation of Khmer Riel ("KHR") into US$ is solely for management's use only and is based on the official exchange rates published by the National Bank of Cambodia as at the reporting dates and average rate for the period. The translations of "KHR" into "US$" amounts meets the presentation requirements pursuant to the Law on Accounting and Auditing and has been done in accordance with the translation method of CIAS 21 –The Effects of Changes in Foreign Exchange Rates.

Assets and liabilities are translated into US$ at the closing rate as at the reporting date and share capital account is translated at the historical rate. The statements of profit or loss and other comprehensive income and cash flows are translated into US$ using the average rate for the period, which have been deemed to approximate the exchange rates at the end of transactions as exchange rates have not fluctuated significantly during the period. Exchange differences arising from the translation are recognised as "Currency Translation Reserves" in other comprehensive income.

2. Material accounting policies (continued)

2.4. Foreign currency translation (continued)

(iii) Presentation in United States dollars ("US$")

The Company has used the official rate of exchange published by the National Bank of Cambodia. As at the reporting date, the average rates and closing rates are based on the following exchange rates:

		Closing rate	Average rate
31 December 2025	USD1=	KHR4,013	KHR4,011
31 December 2024	USD1=	KHR4,025	KHR4,071

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

2.5. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents comprise cash on hand, unrestricted deposits and placements with the National Bank of Cambodia and banks, and other short-term highly liquid investments with original maturities of three months or less where the Company has full ability to withdraw for general purpose whenever needed and subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Deposits and placements with the National Bank of Cambodia and banks are carried at amortised cost in the statement of financial position.

2.6. Financial instruments

(a) Recognition and initial measurement

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

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

2. Material accounting policies (continued)

2.6. Financial instruments (continued)

(b) Classification

Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost, FVOCI or FVTPL.

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

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

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

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

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

All other financial assets are classified as measured at FVTPL.

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

Business model assessment

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

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

2. Material accounting policies (continued)

2.6. Financial instruments (continued)

(b) Classification (continued)

Financial assets (continued)

Business model assessment (continued)

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

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

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

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

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

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

2. Material accounting policies (continued)

2.6. Financial instruments (continued)

(b) Classification (continued)

Financial assets (continued)

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

Non-recourse loans

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

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

Reclassifications

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

(c) Derecognition

Financial assets

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

2. Material accounting policies (continued)

2.6. Financial instruments (continued)

(c) Derecognition (continued)

Financial assets (continued)

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

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

(d) Modifications of financial assets and financial liabilities

Financial assets

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

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

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

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximise recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Company plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place (see 38.1(c) for write-off policy). This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

2. Material accounting policies (continued)

2.6. Financial instruments (continued)

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

Financial assets (continued)

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

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

Financial liabilities

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

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

(e) Offsetting

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

Income and expenses are presented on a net basis only when permitted under CIFRS, or for gains and losses arising from a group of similar transactions.

2. Material accounting policies (continued)

2.6. Financial instruments (continued)

(f) Fair value measurement

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

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

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

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

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

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

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

2. Material accounting policies (continued)

2.6. Financial instruments (continued)

(f) Fair value measurement (continued)

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

(g) Impairment

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

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

No impairment loss is recognised on equity investments.

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

- debt investment securities that are determined to have low credit risk at the reporting date; and
- other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition (see Note 38.1(c)(iv)).

Loss allowances for lease receivables are always measured at an amount equal to lifetime ECL.

The Company considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Company does not apply the low credit risk exception to any other financial instruments.

12-month ECL are the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Financial instruments for which 12-month ECL are recognised are referred to as 'Stage 1 financial instruments'. Financial instruments allocated to Stage 1 have not undergone a significant increase in credit risk since initial recognition and are not credit-impaired.

Lifetime ECL are the ECL that result from all possible default events over the expected life of the financial instrument or the maximum contractual period of exposure. Financial instruments for which lifetime ECL are recognised but that are not credit-impaired are referred to as 'Stage 2 financial instruments'. Financial instruments allocated to Stage 2 are those that have experienced a significant increase in credit risk since initial recognition but are not credit-impaired.

Financial instruments for which lifetime ECL are recognised and that are credit-impaired are referred to as 'Stage 3 financial instruments.

2. Material accounting policies (continued)

2.6. Financial instruments (continued)

(g) Impairment (continued)

Measurement of ECL

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

- *financial assets that are not credit-impaired at the reporting date:* as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive);
- *financial assets that are credit-impaired at the reporting date:* as the difference between the gross carrying amount and the present value of estimated future cash flows;
- *undrawn loan commitments:* as the present value of the difference between the contractual cash flows that are due to the Company if the commitment is drawn down and the cash flows that the Company expects to receive.

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

- *lease receivables:* the discount rate used in measuring the lease receivable;
- *undrawn loan commitments:* the effective interest rate, or an approximation thereof, that will be applied to the financial asset resulting from the loan commitment.

Restructuring financial assets

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

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset (Note 38.1(c) (iii)).
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

2. Material accounting policies (continued)

2.6. Financial instruments (continued)

(g) Impairment (continued)

Credit-impaired financial assets

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

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

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

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

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- loan commitments and financial guarantee contracts: generally, as a provision;
- where a financial instrument includes both a drawn and an undrawn component, and the Company cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Company presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision.

2. Material accounting policies (continued)

2.6. Financial instruments (continued)

(g) Impairment (continued)

Presentation of allowance for ECL in the statement of financial position (continued)

Write-off

Loans and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company 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 recognised when cash is received and are included in 'impairment losses on financial instruments' in the statement of profit or loss and OCI.

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

(h) Financial liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual provision of the instruments. Financial liabilities of the Company include deposits from banks and other financial institutions, deposits from customers, borrowings, subordinated debts and other financial liabilities.

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

Financial liabilities that are not classified as fair value through profit or loss are measured at amortised cost. The financial liabilities measured at amortised cost are deposits from banks and other financial institutions, deposits from customers, borrowings, subordinated debts and other liabilities.

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

2.7. Property and equipment

Property and equipment is stated at cost less accumulated depreciation and impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

2. Material accounting policies (continued)

2.7. Property and equipment (continued)

Capital work-in-progress is not depreciated. Depreciation of property and equipment is charged to the profit or loss on a straight-line basis over the estimated useful lives of the individual assets at the following rates:

	Years
Leasehold improvements	Shorter of contractual lease period and its economic lives
Office furniture and equipment	3 – 5
Computer equipment	3
Motor vehicles	3 – 5

Depreciation on capital work-in-progress commences when the assets are ready for their intended use. The assets' useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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.

2.8. Intangible assets

Intangible assets, which comprise acquired computer software and licences and related costs, are stated at cost less accumulated amortisation and impairment loss. Acquired computer software licences are capitalised based on the cost incurred to acquire the specific software and bring it into use. The cost is amortised from 5 to 20 years using the straight-line basis.

Work-in-progress is not depreciated. Costs associated with maintaining intangible assets are recognised as an expense when incurred.

2.9. 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).

2. Material accounting policies (continued)

2.9. Impairment of non-financial assets (continued)

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.

2.10. Leases

The Company as a lessee

As inception of contract, the Company 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 Company 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 term 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.

(i) 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 Company, 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.

2. Material accounting policies (continued)

2.10. Leases (continued)

(i) Lease liabilities (continued)

To determine the incremental borrowing rate, the Company where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

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.

(ii) 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 Company 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.

(iii) Recognition exemptions

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

2.11. Income tax

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

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

2. Material accounting policies (continued)

2.11. Income tax (continued)

(i) Current tax

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

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

(ii) Deferred tax

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

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

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

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

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

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

2.12. Provision

Provisions are recognised when the Company 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.

2. Material accounting policies (continued)

2.12. Provision (continued)

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.

2.13. Regulatory reserves

Regulatory reserves are set up for the variance of provision between loan impairment in accordance with CIFRSs and regulatory provision in accordance with National Bank of Cambodia's Prakas No. B7-017-344 dated 1 December 2017 and Circular No. B7-018-001 Sor Ror Chor Nor dated 16 February 2018 on credit risk classification and provision on impairment for banks and financial institutions. In accordance with Article 73, the entity is shall compare the provision calculated in accordance with Articles 49 to 71 and the provision calculated in accordance with Article 72, and the record:

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

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

The regulatory reserve is set aside as a buffer, is non-distributable, and is not allowed to be included in the net worth calculation.

According to the NBC's Circular No. B7-024-001 Sar. Ror. Chor. dated 29 August 2024 on Credit Restructuring, bank and financial institutions are allows to restructure their loans to customers and apply specific conditions including:

(a) The institution may restructure facilities up to two times without changing their initial classification and without the need for additional provisions.

(b) A credit rating upgrade is permitted after three consecutive months of on-time principal and/or interest payments. The institution can then restore its credit rating from one level to another by adhering to the overdue day credit policy. The upgrade must comply with the conditions set forth in the Circular.

The Circular allows bank and financial institutions to restructure their loans to customers without incurring additional provisions effective until the end of December 2025. The Company is adopting the requirements in this Circular in preparing these financial statements for the year ended 31 December 2025.

2. Material accounting policies (continued)

2.14. General reserves

General reserves are set up for any overall financial risk of the Company. The Board of Directors exercises its discretion for the use and maintenance of the general reserves by transferring from retained earnings.

2.15. Other reserves

Other reserves are set up for the variance of provision between loan and advances impairment in accordance with CIFRSs or NBC provision whichever is higher, then compare with loan and advances impairment covering 100% risk coverage ratio of Non-Performing Loan or portfolio at risk "PAR 90 days" in accordance with lender covenants. The Company records:

(i) In case the loan and advances impairment in accordance with CIFRSs is higher than the portfolio of NPL, the entity records the provision calculated in accordance with CIFRSs; and

(ii) In case the loan and advances impairment in accordance with CIFRSs is lower than the portfolio of NPL, the entity records the provision calculated in accordance with CIFRSs and transfer the difference from retained earnings or accumulated loss account into other reserves in shareholders' equity of the statement of the financial position (The Company gives priority to regulatory reserve first, and transfer the remaining difference to other reserves; if any).

2.16 Employee benefits

(i) 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 Company.

(ii) Pension obligations

The Company 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 Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due.

(iii) Long term employment 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:

2. Material accounting policies (continued)

2.16 Employee benefits (continued)

(iii) Long term employment benefits - seniority payments (continued)

- 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).
- service since the commencement of employment up to 31 December 2018 and still continue working with the Company. The past seniority payment depends on each staff 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 starting December 2021.

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 Company.

The past years of seniority service is classified as long term employee benefits. Past seniority liability is recognised at the present value of defined obligations at the reporting period. That obligation arises as employees render the services that the Company expected to pay in the future reporting periods. The present value of the past seniority payment is determined by discounting the estimate future payments by references to the high quality corporate bond of the currency that the liability is denominated.

2.17. Interest income and expense

Interest income and expense from financial instruments at amortised cost are recognised within 'interest income' and 'interest expense' respectively in profit or loss using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instruments or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company takes into account all contractual terms of the financial instrument and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not expected credit losses.

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.

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.

2. Material accounting policies (continued)

2.18. Fee and commission income

Fees and commissions are recognised as income when all conditions precedent are fulfilled (performance obligations are satisfied and control is transferred over time or point in time).

Commitment fees for loans and advances 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.

2.19. Loans and advances

The 'loans and advances at amortised cost' caption in the statement of financial position includes loans and advances measured at amortised cost (see 2.6(b)); these are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost under the effective interest method.

2.20. Investment securities

The 'investment securities at amortised cost' caption in the statement of financial position includes: investment securities measured at amortised cost (see 2.6(b)); these are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost under the effective interest method.

2.21. Investment in associate

Associate is the entity in which the Company has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associate is accounted for under the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the financial statements include the Company's share of the profit or loss and OCI of equity accounted investees, until the date on which significant influence ceases.

2.22. Deposits, borrowing and subordinated debts

Deposits, borrowing and subordinated debts are the Company's sources of debt funding.

Deposits, borrowing and subordinated debts are initially measured at fair value minus incremental direct transaction costs. Subsequently, they are measured at their amortised cost under the effective interest method, except where the Company designates liabilities at FVTPL (see 2.6(h)).

3. Use of judgements and estimates

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

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

3.1. Judgements

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

- **Note 2.6 (b):** classification of financial assets: assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are SPPI on the principal amount outstanding.
- **Note 38.1 (c):** establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining methodology for incorporating forward-looking information into measurement of ECL and selection and approval of models used to measure ECL.

3.2. Assumption and estimation uncertainties

Information about assumptions and estimation uncertainties that have material risks that could give rise to any adjustments on the carrying amounts of assets and liabilities recognised in the next financial statements is included in the following notes:

- **Note 38.5:** Determination of the fair value of financial instruments with significant unobservable inputs.
- **Note 38.1(c):** Impairment of financial instruments: determining inputs into the ECL measurement model, including incorporation of forward-looking information.
- **Note 38.1(c):** Impairment of financial instruments: key assumptions used in estimating recoverable cash flows.
- **Note 39:** Recognition and measurement of contingencies: key assumptions about the likelihood and magnitude of outflow of resource.
- **Note 2.10:** lease term: whether the Company is reasonably certain to exercise extension option.
- **Note 2.16 (iii):** measurement of other long term seniority benefit.

3. Use of judgements and estimates (continued)

3.2. Assumption and estimation uncertainties (continued)

- **Note 2.4:** Functional and presentation currency: the management considers the KHR currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The critical factors which trigger the KHR being the functional currency include the currency that is regulated for loans to customers to certain extent by the National Bank of Cambodia, staff costs, the source of equity funding in which the Company receives share subscriptions from and the distribution of dividends to its shareholders. The financial statements are therefore presented in KHR which is the Company's functional and presentation currency.

4. Cash on hand

	31 December		31 December	
	2025 KHR'000	2024 KHR'000	2025 US$ (Note 2.4(iii))	2024 US$ (Note 2.4(iii))
Current:				
Khmer Riel	26,201,785	28,465,584	6,529,226	7,072,195
US Dollars	63,735,927	73,009,717	15,882,364	18,139,060
Thai Baht	2,242,878	6,546,089	558,903	1,626,357
	92,180,590	108,021,390	22,970,493	26,837,612

5. Deposits and placements with the National Bank of Cambodia

(a) By account types

	31 December		31 December	
	2025 KHR'000	2024 KHR'000	2025 US$ (Note 2.4 (iii))	2024 US$ (Note2.4(iii))
Settlement accounts	43,428,312	67,783,263	10,821,907	16,840,562
Current accounts	96,519,772	151,610,099	24,051,775	37,667,105
Negotiable certificate of deposits	-	2,321,017	-	576,651
	139,948,084	221,714,379	34,873,682	55,084,318

The Company has no negotiable certificate of deposits as at 31 December 2025 (31 December 2024: KHR2,321,017thousands).

5. Deposits and placements with the National Bank of Cambodia (continued)

(b) By maturity

	31 December		31 December	
	2025 KHR'000	2024 KHR'000	2025 US$ (Note 2.4(iii))	2024 US$ (Note 2.4(iii))
Current	139,948,084	221,714,379	34,873,682	55,084,318
Non-current	-	-	-	-
	139,948,084	221,714,379	34,873,682	55,084,318

Annual interest rates of deposits and placements with the National Bank of Cambodia are as follows:

	31 December	
	2025	2024
Settlement accounts	0%	0%
Current accounts	0%	0%
Negotiable certificates of deposits	N/A	1.00% – 1.18%

6. Deposits and placements with banks

(a) By account types

	31 December		31 December	
	2025 KHR'000	2024 KHR'000	2025 US$ (Note 2.4(iii))	2024 US$ (Note 2.4(iii))
Deposits and placements with local banks:				
Savings deposits	133,413,484	157,125,366	33,245,324	39,037,358
Current accounts	234,555,353	170,685,773	58,448,879	42,406,403
Time deposits	100,258,163	234,410,611	24,983,345	58,238,662
	468,227,000	562,221,750	116,677,548	139,682,423
Less: Allowance for expected credit loss	(4,621,420)	(5,447,603)	(1,151,612)	(1,353,442)
	463,605,580	556,774,147	115,525,936	138,328,981

6. Deposits and placements with banks (continued)

(b) By maturity

	31 December 2025 KHR'000	31 December 2024 KHR'000	31 December 2025 US$ (Note 2.4(iii))	31 December 2024 US$ (Note 2.4(iii))
Current	468,227,000	562,221,750	116,677,548	139,682,423
Non-current	-	-	-	-
	468,227,000	562,221,750	116,677,548	139,682,423

Annual interest rates of deposits and placements with banks are as follows:

	31 December 2025	31 December 2024
Savings deposits	0% – 2.75%	0% – 2.50%
Current accounts	0% – 3.50%	0% – 2.50%
Term deposits	2.80%	2.70% – 7.10%

7. Investment securities at amortised cost

	31 December 2025 KHR'000	31 December 2024 KHR'000	31 December 2025 US$ (Note 2.4(iii))	31 December 2024 US$ (Note 2.4(iii))
Investment in government bonds	3,324,861	3,339,960	828,523	829,804

Investment in government bonds is measured at amortised cost. These government bonds have maturity term of 3 years effective from 28 June 2024 to 28 June 2027 and earned annual interest rate at 4.5%. As at 31 December 2025, there were no allowance for expected credit loss being recognised.

The Company has pledged government bonds amounting to KHR787,000 thousands as collateral for overdraft (31 December 2024: KHR2,810,000 thousands).

8. Investment in associate

	31 December		31 December	
	2025 KHR'000	2024 KHR'000	2025 US$ (Note 2.4(iii))	2024 US$ (Note 2.4(iii))
Investment at Serendib Microinsurance Plc.	4,013,000	-	1,000,000	-

This represents the investment at 25% stake in Serendib Micro Insurance Plc.'s total share capital as approved by the NBC on 6 January 2025 in response to the Company's request letter dated 18 November 2024.

The objective of the Company's investment is strategically aligned with its long-term goals of enhancing financial inclusion, diversifying its products, creating a positive social impact, and tapping into the growing demand for affordable insurance in Cambodia.

On 27 August 2025, the Board of Directors resolved to inject additional capital of US$999,000 equivalent to additional 23% of Serendib Micro Insurance Plc.'s total share capital. On 19 November 2025, the Company has obtained approval letter from the NBC on the said additional capital. As of reporting date, the actual additional capital has not yet been paid into Serendib Micro Insurance Plc. as the Company is still undergoing the required regulatory processes.

As of the reporting date, no significant transactions related to Serendib Micro Insurance Plc. that require recognition in the Company's financial statements.

9. Financial assets at fair value through other comprehensive income

	31 December		31 December	
	2025 KHR'000	2024 KHR'000	2025 US$ (Note 2.4(iii))	2024 US$ (Note 2.4(iii))
Non-current				
Unlisted securities				
Investment in Credit Bureau Cambodia	60,195	60,375	15,000	15,000

The Company designated investment in Credit Bureau Cambodia (CBC) to be measured at fair value through other comprehensive income as they are not held for trading and the Company has irrevocably elected at initial recognition to recognise as the financial assets at FVOCI. These are the strategic investments and the Company considers this classification to be more relevant.

The fair value of the investment at 31 December 2025 was KHR60,195 thousand (2024: KHR60,375 thousand).

Dividend received during the year was KHR118,752 thousand (2024: KHR118,752 thousand).

There is no gain/loss recognised in other comprehensive income due to the fair value approximate the carrying amount.

10. Loans and advances at amortised cost

	31 December 2025 KHR'000	31 December 2024 KHR'000	31 December 2025 US$ (Note 2.4(iii))	31 December 2024 US$ (Note 2.4(iii))
At amortised cost				
Group loans	433,511,656	496,363,762	108,026,827	123,320,189
Individual loans	5,047,102,621	4,787,736,239	1,257,688,168	1,189,499,687
Staff loans	29,616,020	32,264,541	7,380,020	8,016,035
Total gross loans	5,510,230,297	5,316,364,542	1,373,095,015	1,320,835,911
Less: Allowance for expected credit loss	(267,724,354)	(180,393,550)	(66,714,267)	(44,818,273)
Loans and advances at amortised cost	5,242,505,943	5,135,970,992	1,306,380,748	1,276,017,638

(a) Allowance for expected credit loss

Allowance for expected credit loss by stages are as follow:

	31 December 2025 KHR'000	31 December 2024 KHR'000	31 December 2025 US$ (Note 2.4(iii))	31 December 2024 US$ (Note 2.4(iii))
12-month ECL (Stage 1)	24,698,325	18,919,816	6,154,579	4,700,575
Lifetime ECL-not credit impaired (Stage 2)	24,926,346	17,235,755	6,211,399	4,282,175
Lifetime ECL-credit impaired (Stage 3)	218,099,683	144,237,979	54,348,289	35,835,523
	267,724,354	180,393,550	66,714,267	44,818,273

(b) By industry

.

	31 December 2025 KHR'000	31 December 2024 KHR'000	31 December 2025 US$ (Note 2.4(iii))	31 December 2024 US$ (Note 2.4(iii))
Household/family	1,578,677,342	1,417,524,512	393,390,815	352,180,003
Agriculture	1,382,002,678	1,419,397,914	344,381,430	352,645,444
Trade and commerce	987,102,063	998,980,153	245,976,093	248,193,827
Services	876,762,089	834,410,205	218,480,461	207,306,883
Manufacturing	418,240,847	367,318,354	104,221,492	91,259,218
Construction	191,312,895	201,516,695	47,673,286	50,066,260
Transportation	76,132,383	77,216,709	18,971,438	19,184,276
Total gross loans	5,510,230,297	5,316,364,542	1,373,095,015	1,320,835,911

10. Loans and advances at amortised cost (continued)

(c) Analysis by loan classification

	31 December 2025 KHR'000	31 December 2024 KHR'000	31 December 2025 US$ (Note 2.4(iii))	31 December 2024 US$ (Note 2.4(iii))
Performing				
Gross amount	4,484,119,998	4,515,237,712	1,117,398,455	1,121,798,189
Exposure at default	4,484,119,998	4,515,237,712	1,117,398,455	1,121,798,189
Allowance for expected credit loss	(24,698,325)	(18,919,816)	(6,154,579)	(4,700,575)
Under-performing				
Gross amount	379,014,726	438,448,450	94,446,730	108,931,292
Exposure at default	379,014,726	438,448,450	94,446,730	108,931,292
Allowance for expected credit loss	(24,926,346)	(17,235,755)	(6,211,399)	(4,282,175)
Non-performing				
Gross amount	647,095,573	362,678,380	161,249,830	90,106,430
Exposure at default	647,095,573	362,678,380	161,249,830	90,106,430
Allowance for expected credit loss	(218,099,683)	(144,237,979)	(54,348,289)	(35,835,523)
Total gross loans	5,510,230,297	5,316,364,542	1,373,095,015	1,320,835,911
Exposure at default	5,510,230,297	5,316,364,542	1,373,095,015	1,320,835,911
Allowance for expected credit loss	(267,724,354)	(180,393,550)	(66,714,267)	(44,818,273)

(d) By maturity

	31 December 2025 KHR'000	31 December 2024 KHR'000	31 December 2025 US$ (Note 2.4(iii))	31 December 2024 US$ (Note 2.4(iii))
Not later than 1 year	198,628,028	247,274,938	49,496,145	61,434,766
Later than 1 year and no later than 3 years	1,053,681,755	1,124,803,455	262,567,096	279,454,275
Later than 3 years and no later than 5 years	1,469,553,130	1,524,075,244	366,198,139	378,652,235
Later than 5 years	2,788,367,384	2,420,210,905	694,833,635	601,294,635
Total gross loans	5,510,230,297	5,316,364,542	1,373,095,015	1,320,835,911

10. Loans and advances at amortised cost (continued)

(e) By large exposure

	31 December 2025 KHR'000	31 December 2024 KHR'000	31 December 2025 US$ (Note 2.4(iii))	31 December 2024 US$ (Note 2.4(iii))
Large exposure	-	-	-	-
Non-large exposure	5,510,230,297	5,316,364,542	1,373,095,015	1,320,835,911
Total gross loans	5,510,230,297	5,316,364,542	1,373,095,015	1,320,835,911

(f) By relationship

	31 December 2025 KHR'000	31 December 2024 KHR'000	31 December 2025 US$ (Note 2.4(iii))	31 December 2024 US$ (Note 2.4(iii))
Related parties (including staff loans)	29,616,020	32,264,541	7,380,020	8,016,035
Non-related parties	5,480,614,277	5,284,100,001	1,365,714,995	1,312,819,876
Total gross loans	5,510,230,297	5,316,364,542	1,373,095,015	1,320,835,911

(g) By residency

	31 December 2025 KHR'000	31 December 2024 KHR'000	31 December 2025 US$ (Note 2.4(iii))	31 December 2024 US$ (Note 2.4(iii))
Residents	5,510,230,297	5,316,364,542	1,373,095,015	1,320,835,911
Non-residents	-	-	-	-
Total gross loans	5,510,230,297	5,316,364,542	1,373,095,015	1,320,835,911

(h) By security

	2025 KHR'000	2024 KHR'000	2025 US$ (Note 2.4(iii))	2024 US$ (Note 2.4(iii))
Secured	4,853,309,103	4,633,229,038	1,209,396,736	1,151,112,804
Un-secured	656,921,194	683,135,504	163,698,279	169,723,107
	5,510,230,297	5,316,364,542	1,373,095,015	1,320,835,911

10. Loans and advances at amortised cost (continued)

(i) By interest rate

Annual interest rate for loans and advances are as follows:

	31 December	
	2025	2024
Short term loans	6.79% – 18.00%	6.75% – 18.00%
Long term loans	6.79% – 18.00%	7.66% – 18.00%

11. Statutory deposits with the National Bank of Cambodia

	Note	31 December 2025 KHR'000	31 December 2024 KHR'000	31 December 2025 US$ (Note 2.4(iii))	31 December 2024 US$ (Note 2.4(iii))
Capital guarantee deposit	(a)	42,437,740	42,437,740	10,575,066	10,543,538
Reserve requirements	(b)	298,040,866	297,430,650	74,268,843	73,895,814
		340,478,606	339,868,390	84,843,909	84,439,352

(a) Capital guarantee deposit

Under Prakas No. B7-07-163 dated 13 December 2007 on Licensing of Deposit-Taking Microfinance Institutions, the Company is required to maintain a capital guarantee deposit equivalent to 10% of registered capital with the NBC. This deposit is not available for use in the Company's day-to-day operations but is refundable when the Company voluntarily ceases to operate the business in Cambodia. The capital guarantee deposit earns annual interest at 3% (31 December 2024: 3%).

(b) Reserve requirements

This represents the minimum reserve requirement which is calculated at 7% of the total deposits from customers (31 December 2024: 7%) as required by the NBC's Prakas No.B7-023-005 and NBC's letter No. B7-024-1718. The reserve requirements fluctuate depending on the level of deposits from customers, non-resident's bank placements and non-resident borrowings. Reserve requirements do not earn interest.

On 5 January 2026, the NBC announced, through information notice B30-026-013 Sor Chor Nor allowing Banks and Financial institutions to continue maintaining reserve requirements at the rate of 7% until 31 December 2026.

11. Statutory deposits with the National Bank of Cambodia (continued)

(b) Reserve requirements (continued)

Annual interest rate are as follows:

	31 December	
	2025	2024
Capital guarantee deposit	3.00%	3.00%
Reserve requirements	Nil	Nil

12. Property and equipment

2025	Furniture and equipment KHR'000	Motor vehicles KHR'000	Computer equipment KHR'000	Leasehold improvements KHR'000	Total KHR'000	Total US$ (Note 2.4(iii))
Cost						
At 1 January	6,979,535	12,413,478	22,641,729	2,849,871	44,884,613	11,151,457
Additions	852,361	1,038,863	2,987,439	278,770	5,157,433	1,285,822
Disposals	(130,724)	(615,042)	(98,916)	(9,132)	(853,814)	(212,868)
Currency translation difference	-	-	-	-	-	32,811
At 31 December	7,701,172	12,837,299	25,530,252	3,119,509	49,188,232	12,257,222
Less: **Accumulated depreciation**						
At 1 January	5,446,204	10,416,048	17,468,650	1,929,166	35,260,068	8,760,265
Depreciation for the year	1,078,726	859,362	3,240,475	248,144	5,426,707	1,352,956
Disposals	(128,809)	(615,042)	(98,913)	(9,132)	(851,896)	(212,390)
Currency translation difference	-	-	-	-	-	25,628
At 31 December	6,396,121	10,660,368	20,610,212	2,168,178	39,834,879	9,926,459
Carrying amounts						
At 1 January	1,533,331	1,997,430	5,173,079	920,705	9,624,545	2,391,192
At 31 December	1,305,051	2,176,931	4,920,040	951,331	9,353,353	2,330,763

As at 31 December 2025, the cost of fully depreciated items of property and equipment still in use amounted to KHR25,743,146 thousand (31 December 2024: KHR23,232,562 thousand).

12. Property and equipment (continued)

2024	Furniture and equipment KHR'000	Motor vehicles KHR'000	Computer equipment KHR'000	Leasehold improvements KHR'000	Total KHR'000	Total US$ (Note 2.4(iii))
Cost						
At 1 January	6,407,983	12,513,234	22,010,611	2,552,863	43,484,691	10,644,967
Additions	718,829	855,946	1,020,584	299,094	2,894,453	710,993
Disposals	(147,277)	(955,702)	(389,466)	(2,086)	(1,494,531)	(367,116)
Currency translation difference	-	-	-	-	-	162,613
At 31 December	6,979,535	12,413,478	22,641,729	2,849,871	44,884,613	11,151,457
Less: **Accumulated depreciation**						
At 1 January	4,581,990	10,586,562	14,471,174	1,699,449	31,339,175	7,671,769
Depreciation for the year	1,005,878	785,188	3,381,266	231,399	5,403,731	1,327,372
Disposals	(141,664)	(955,702)	(383,790)	(1,682)	(1,482,838)	(364,244)
Currency translation difference	-	-	-	-	-	125,368
At 31 December	5,446,204	10,416,048	17,468,650	1,929,166	35,260,068	8,760,265
Carrying amounts						
At 1 January	1,825,993	1,926,672	7,539,437	853,414	12,145,516	2,973,198
At 31 December	1,533,331	1,997,430	5,173,079	920,705	9,624,545	2,391,192

13. Leases

This note provides information for leases where the Company is a lessee.

The Company leases various buildings for its head office's and branches' operations. Rental contracts are typically made for fixed periods of one to twelve years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

(a) Amounts recognised in the statement of financial position

	31 December		31 December	
	2025 KHR'000	2024 KHR'000	2025 US$ (Note 2.4(iii))	2024 US$ (Note 2.4(iii))
Right-of-use assets (Non-current)				
Buildings	29,560,613	30,640,659	7,366,213	7,612,586
Lease liabilities				
Current	6,301,539	6,380,120	1,570,281	1,585,123
Non-current	21,461,242	22,479,645	5,347,930	5,585,005
	27,762,781	28,859,765	6,918,211	7,170,128

Additions to the right-of-use assets during the year were KHR6,520,895 thousand (2024: KHR9,641,610 thousand).

(b) Amounts recognised in the statement of profit or loss

	2025 KHR'000	2024 KHR'000	2025 US$ (Note 2.4(iii))	2024 US$ (Note 2.4(iii))
Depreciation of right-of-use assets				
Buildings (Note 31)	7,509,097	7,213,556	1,872,126	1,771,937
Interest expense (Note 27)	2,306,666	2,245,287	575,085	551,531
Expense relating to short-term lease and leases of low-value assets (included in operating expenses) (Note 32)	10,446,622	9,869,372	2,604,493	2,424,311
Total expenses related to leases	20,262,385	19,328,215	5,051,704	4,747,779

Total cash outflow for lease during the period was KHR17,977,956 thousand (2024: KHR19,954,160 thousand).

14. Intangible assets

2025	Software and license KHR'000	Work in progress KHR'000	Total KHR'000	Total US$ (Note 2.4(iii))
Cost				
At 1 January	23,449,001	126,935	23,575,936	5,857,375
Additions	389,761	125,222	514,983	128,393
Transfers	252,157	(252,157)	-	-
Currency translation difference	-	-	-	17,451
At 31 December	24,090,919	-	24,090,919	6,003,219
Less: **Accumulated amortisation**				
At 1 January	11,761,731	-	11,761,731	2,922,169
Amortisation for the year	1,779,429	-	1,779,429	443,637
Currency translation difference	-	-	-	8,517
At 31 December	13,541,160	-	13,541,160	3,374,323
Carrying amounts				
At 1 January	11,687,270	126,935	11,814,205	2,935,206
At 31 December	10,549,759	-	10,549,759	2,628,896
2024				
Cost				
At 1 January	15,753,537	1,719,829	17,473,366	4,277,446
Additions	1,172,767	5,122,388	6,295,155	1,546,341
Transfers	6,522,697	(6,522,697)	-	-
Write-off	-	(192,585)	(192,585)	(47,307)
Currency translation difference	-	-	-	80,895
At 31 December	23,449,001	126,935	23,575,936	5,857,375
Less**: Accumulated amortisation**				
At 1 January	9,655,272	-	9,655,272	2,363,592
Amortisation for the year	2,106,459	-	2,106,459	517,430
Currency translation difference	-	-	-	41,147
At 31 December	11,761,731	-	11,761,731	2,922,169
Carrying amounts				
At 1 January	6,098,265	1,719,829	7,818,094	1,913,854
At 31 December	11,687,270	126,935	11,814,205	2,935,206

As at 31 December 2025, the cost of fully depreciated items of intangible assets still in use amounted to KHR8,158,179 thousand (31 December 2024: KHR742,900 thousand).

15. Deferred tax (liabilities)/assets - net

	31 December		31 December	
	2025 KHR'000	2024 KHR'000	2025 US$ (Note 2.4(iii))	2024 US$ (Note 2.4(iii))
Non-current				
Deferred tax assets	25,844,554	29,671,814	6,440,208	7,371,879
Deferred tax liabilities	(26,394,471)	(6,128,107)	(6,577,242)	(1,522,511)
Net deferred (liabilities)/tax assets	(549,917)	23,543,707	(137,034)	5,849,368

The movement of net deferred tax assets during the year was as follows:

	2025 KHR'000	2024 KHR'000	2025 US$ (Note 2.4(iii))	2024 US$ (Note 2.4(iii))
As at 1 January	23,543,707	29,627,908	5,849,368	7,252,854
Charged to profit or loss (Note 33(a))	(24,093,624)	(6,084,201)	(6,006,888)	(1,494,522)
Currency translation differences	-	-	20,486	91,036
As at 31 December	(549,917)	23,543,707	(137,034)	5,849,368

15. Deferred tax (liabilities)/assets - net (continued)

(i) Deferred tax assets:

	Impairment loss KHR'000	Unamortised loan fee KHR'000	Lease liabilities KHR'000	Accelerated depreciation KHR'000	Accrued expense KHR'000	Others KHR'000	Total KHR'000
As at 1 January 2025	2,129,712	16,373,698	5,771,953	589,693	1,450,191	3,356,567	29,671,814
(Charged)/credited to profit or loss	(2,129,712)	(1,413,184)	(219,397)	18,252	(2,066)	(81,153)	(3,827,260)
As at 31 December 2025	-	14,960,514	5,552,556	607,945	1,448,125	3,275,414	25,844,554
In US$ equivalent (Note2.4(iii))	-	3,728,012	1,383,642	151,494	360,859	816,201	6,440,208
As at 1 January 2024	7,113,608	18,194,505	5,496,333	476,442	1,400,148	2,679,074	35,360,110
(Charged)/credited to profit or loss	(4,983,896)	(1,820,807)	275,620	113,251	50,043	677,493	(5,688,296)
As at 31 December 2024	2,129,712	16,373,698	5,771,953	589,693	1,450,191	3,356,567	29,671,814
In US$ equivalent (Note2.4(iii))	529,121	4,068,000	1,434,026	146,508	360,296	833,928	7,371,879

15. Deferred tax (liabilities)/assets - net (continued)

(ii) Deferred tax liabilities

	Right-of-use assets KHR'000	Impairment loss KHR'000	Unwinding Interest KHR'000	Total KHR'000
As at 1 January 2025	6,128,107	-	-	6,128,107
(Credit)/Charged to profit or loss	(216,009)	11,852,070	8,630,303	20,266,364
As at 31 December 2025	5,912,098	11,852,070	8,630,303	26,394,471
In US$ equivalent (Note 2.4(iii))	1,473,236	2,953,419	2,150,586	6,577,242
As at 1 January 2024	5,732,202	-	-	5,732,202
Charged to profit or loss	395,905	-	-	395,905
As at 31 December 2024	6,128,107	-	-	6,128,107
In US$ equivalent (Note 2.4(iii))	1,522,511	-	-	1,522,511

16. Other assets

	31 December 2025 KHR'000	31 December 2024 KHR'000	31 December 2025 US$ (Note 2.4(iii))	31 December 2024 US$ (Note 2.4(iii))
Account receivables	1,596,092	1,763,556	397,730	438,151
Prepayments	11,843,680	10,665,132	2,951,328	2,649,722
Office and house rental deposits	671,246	676,071	167,268	167,968
Supplies	1,212,820	598,164	302,223	148,612
Others	7,704,109	7,084,953	1,919,788	1,760,237
	23,027,947	20,787,876	5,738,337	5,164,690

(a) By maturity

	31 December 2025 KHR'000	31 December 2024 KHR'000	31 December 2025 US$ (Note 2.4(iii))	31 December 2024 US$ (Note 2.4(iii))
Current	22,624,819	20,404,944	5,637,882	4,996,722
Non-current	403,128	382,932	100,455	167,968
	23,027,947	20,787,876	5,738,337	5,164,690

17. Deposits from banks and other financial institutions

	31 December 2025 KHR'000	31 December 2024 KHR'000	31 December 2025 US$ (Note 2.4(iii))	31 December 2024 US$ (Note 2.4(iii))
Savings deposits	3,494,543	10,517,544	870,806	2,613,055
Fixed deposits	266,377,281	326,439,145	66,378,589	81,102,893
	269,871,824	336,956,689	67,249,395	83,715,948

(a) By maturity

	31 December 2025 KHR'000	31 December 2024 KHR'000	31 December 2025 US$ (Note 2.4(iii))	31 December 2024 US$ (Note 2.4(iii))
Current	269,871,824	336,956,689	67,249,395	83,715,948
Non-current	-	-	-	-
	269,871,824	336,956,689	67,249,395	83,715,948

(b) By interest rate

Annual interest rate for deposits from banks and other financial institutions are as follows:

	31 December 2025	31 December 2024
Savings deposits	0.00% - 3.00%	0.00% - 3.00%
Fixed deposits	3.10% - 4.50%	3.75 % - 6.25%

18. Deposits from customers

	31 December 2025 KHR'000	31 December 2024 KHR'000	31 December 2025 US$ (Note 2.4(iii))	31 December 2024 US$ (Note 2.4(iii))
Savings deposits	346,376,135	233,005,254	86,313,515	57,889,504
Fixed deposits	3,468,293,981	3,460,588,493	864,264,635	859,773,539
	3,814,670,116	3,693,593,747	950,578,150	917,663,043

18. Deposits from customers (continued)

(a) By maturity

	31 December 2025 KHR'000	31 December 2024 KHR'000	31 December 2025 US$ (Note 2.4(iii))	31 December 2024 US$ (Note 2.4(iii))
Current	3,401,370,442	3,255,384,361	847,587,950	808,791,146
Non-current	413,299,674	438,209,386	102,990,200	108,871,897
	3,814,670,116	3,693,593,747	950,578,150	917,663,043

(b) By interest rate

Annual interest rate for deposits from customers are as follows:

	31 December 2025	31 December 2024
Savings deposits	0.00 % - 5.00%	0.00 % - 5.00%
Fixed deposits	4.00 % - 9.13%	2.75 % - 9.13%

19. Borrowings

As at 31 December 2025, the Company is in breach of covenants of eleven lenders, of which the actual performance ratio exceeded the limit as follows:

Ratio	Limit	Actual	31 December 2025 KHR'000	31 December 2025 US$ (Note 2.4(iii))
PAR(*) 90 days plus restructured loan excludes Covid 19 minus loan loss reserve divide by net worth	<= 25%	Exceeded limit	17,866,532	4,452,164
PAR(*) 30 days plus economic recovery restructured loan divide by gross loan portfolio	<= 6.5%	Exceeded limit	12,289,356	3,062,386

19. Borrowings (continued)

As at 31 December 2025, the Company is in breach of covenants with eleven lenders, of which the actual performance ratio exceeded the limit as follow: (continued)

Ratio	Limit	Actual	31 December 2025	31 December 2025
			KHR'000	US$
				(Note 2.4(iii))
PAR(*) 30 days plus restructured loan excludes Covid 19 divide by gross loan portfolio	<= 13%	Exceeded limit	4,001,360	997,099
PAR(*) 30 days plus economic recovery restructured loan divide by gross loan portfolio	<= 23%	Exceeded limit		
PAR(*) 30 days plus restructure loan exclude Covid 19 divided by gross loan portfolio	<= 7%	Exceeded limit	19,014,548	4,738,238
PAR(*) 30 days plus restructured loan excludes Covid 19 less loan loss reserve divided by total equity	<= 15%	Exceeded limit		
PAR(*) 30 days plus economic recovery restructured loan plus net-charged-offs last 12 months divided by gross loan portfolio	<= 7%	Exceeded limit	14,211,370	3,541,333
PAR(*) 90 days plus restructured loan divided by loan loss reserve	>=100%	Not met		
(Substandard loan + doubtful loan + loss) divided by gross loan portfolio	<= 6%	Exceeded limit	83,704,534	20,858,344
PAR(*) 30 days plus net-charged-offs last 12 months divide by gross loan portfolio	<= 12%	Exceeded limit	24,602,969	6,130,817
PAR(*) 30 days plus restructure loan exclude Covid 19 divide by gross loan portfolio	<= 5%	Exceeded limit	10,016,457	2,496,002
PAR(*) 90 days plus economic recovery restructured loan plus net-charged-offs last 12 months divided by gross loan portfolio	<= 12%	Exceeded limit	14,011,996	3,491,651
Loan loss reserve divided by PAR(*) 90 days plus economic recovery restructured loan	>= 100%	Not met		
(Substandard loan + doubtful loan + loss) divided by gross loan portfolio	<= 5%	Exceeded limit	6,140,547	1,530,164
Open credit exposure	<= 30%	Exceeded limit	7,914,985	1,972,336

(*) Portfolio at risk

19. Borrowings (continued)

As at 31 December 2025, the non-current liabilities portion of KHR64,055,991 thousand (equivalent to US$15,962,121) (31 December 2024: KHR143,889,030 equivalent to US$35,748,827) had been reclassified to current liabilities.

Borrowings are further analysed as follows:

	31 December		31 December	
	2025 KHR'000	2024 KHR'000	2025 US$ (Note 2.4(iii))	2024 US$ (Note 2.4(iii))
Current	293,725,649	495,942,606	73,193,533	123,215,555
Non-current (*)	67,842,849	96,536,310	16,905,768	23,984,176
	361,568,498	592,478,916	90,099,301	147,199,731

The annual interest rates are ranging from 5.38% to 8.20% (2024: 5.25% to 8.20%).

(*) In addition to the breach of covenants of eleven lenders above, as at 31 December 2025, the Company also in breach of another lender amounting to KHR107,618,427 thousand (equivalent to US$26,817,450). On 14 November 2025, the Company received an official waiver letter from the lender, waiving the covenant breach for the next twelve months after reporting date. Accordingly, the non-current portion of the borrowing amounting to KHR60,306,758 thousand (equivalent to US$15,027,849) has not been reclassified to current liabilities.

The Company complied with the performance ratios set by the other lenders when it was tested on 31 December 2025. As at 31 December 2025, Company has assessed covenant compliance for the next twelve months after reporting date and expect that the Company will remain in compliance throughout the period. Therefore, the borrowings amounts of KHR7,536,091 thousand (equivalent to US$1,877,919) is classified as non-current as at 31 December 2025 because the Company has an existing right to defer settlement of the loans for at least 12 months after the reporting period.

20. Current income tax liabilities

	2025 KHR'000	2024 KHR'000	2025 US$ (Note 2.4(iii))	2024 US$ (Note 2.4(iii))
As at 1 January	28,116,358	50,339,592	6,985,431	12,323,034
Income tax expense (Note 33)	35,723,097	36,609,129	8,906,281	8,992,663
Income tax paid	(37,320,363)	(58,832,363)	(9,304,503)	(14,451,575)
Currency translation differences	-	-	21,087	121,309
As at 31 December	26,519,092	28,116,358	6,608,296	6,985,431

21. Employee benefits

	31 December 2025 KHR'000	31 December 2024 KHR'000	31 December 2025 US$ (Note 2.4(iii))	31 December 2024 US$ (Note 2.4(iii))
Provision on seniority payment:				
Current	124,930	234,946	31,131	58,372
Non-current	1,441,922	1,591,706	359,313	395,455
	1,566,852	1,826,652	390,444	453,827

22. Other liabilities

	31 December 2025 KHR'000	31 December 2024 KHR'000	31 December 2025 US$ (Note 2.4(iii))	31 December 2024 US$ (Note 2.4(iii))
Staff bonuses and incentives	33,095,965	27,470,670	8,247,188	6,825,011
Accrued expenses	2,515,237	2,546,839	626,772	632,755
Other tax payables	2,668,437	2,702,578	664,948	671,448
Payables to related companies (Note 37(c))	2,638,455	2,210,336	657,477	549,152
Others	2,538,089	2,413,409	632,469	599,604
	43,456,183	37,343,832	10,828,854	9,277,970

	31 December 2025 KHR'000	31 December 2024 KHR'000	31 December 2025 US$ (Note 2.4(iii))	31 December 2024 US$ (Note 2.4(iii))
Current	43,456,183	37,343,832	10,828,854	9,277,970
Non-current	-	-	-	-
	43,456,183	37,343,832	10,828,854	9,277,970

23. Subordinated debts

As at 31 December 2025, the Company is in breach of covenants of four lenders, of which the actual performance ratio exceeded the limit as follows:

Ratio	Limit	Actual	31 December 2025	31 December 2025
			KHR'000	US$
				(Note 2(b))
PAR(*) 30 days plus economic recovery restructured loan plus net-charged-offs last 12 months divided by gross loan portfolio	<= 7%	Exceeded limit	31,547,229	7,861,258
Loan loss reserve divided by PAR(*) 90 days plus restructured loan	>=100%	Not met		
PAR(*) 30 days plus restructure loan exclude Covid 19 divided by gross loan portfolio	<= 8%	Exceeded limit	12,275,516	3,058,938
PAR(*) 90 days plus economic recovery restructured loan plus net-charged-offs last 12 months divided by gross loan portfolio	<= 12%	Exceeded limit	4,109,992	1,024,169
Loan loss reserve divided by PAR(*) 90 days plus economic recovery restructured loan	>= 100%	Not met		
Open credit exposure	<= 30%	Exceeded limit	4,017,606	1,001,148

(*) Portfolio at risk

As at 31 December 2025, the non-current liabilities portion of KHR23,827,342 thousand (equivalent to US$5,937,538) (31 December 2024: KHR103,863,120 thousands equivalent to US$25,804,502) had been reclassified to current liabilities.

Subordinated debts are further analysed as follows:

	31 December		31 December	
	2025 KHR'000	2024 KHR'000	2025 US$ (Note 2.4(iii))	2024 US$ (Note 2.4(iii))
Current	57,528,079	174,948,657	14,335,430	43,465,505
Non-current	11,208,592	4,029,620	2,793,070	1,001,148
	68,736,671	178,978,277	17,128,500	44,466,653

23. Subordinated debts (continued)

During the year, the Company repaid subordinated debts to various financial institutions amounting to KHR108,631,800 thousand (2024: KHR71,111,400 thousand). The annual interest rates for all subordinated debts are ranging from 7.50% to 10.17% (2024: 7.50% to 10.47%).

The Company complied with the performance ratios set by the lenders when it was tested on 31 December 2025. As at 31 December 2025, Company has assessed covenant compliance for the next twelve months after reporting date and expect that the Company will remain in compliance throughout the period. Therefore, the subordinated debts amounts of KHR11,208,592 thousand (equivalent to US$2,793,070) is classified as non-current as at 31 December 2025 because the Company has an existing right to defer settlement of the loans for at least 12 months after the reporting period.

24. Share capital

A. Share capital

The total number of authorised shares of the Company as at 31 December 2025 was 4,243,774 shares (31 December 2024: 4,243,774 shares) with a par value of KHR100 thousand per share (2024: KHR100 thousand). All authorised shares are issued and fully paid up.

	31 December 2025/31 December 2024		
	Number of shares	%	KHR'000
Shareholders:			
LOLC Asia Private Limited	4,115,192	97%	411,519,200
TPC-ESOP Co., Ltd	128,582	3%	12,858,200
	4,243,774	100%	424,377,400
In US$ equivalent (Note 2.4(iii))			103,969,218

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

B. Dividends

On 8 September 2025, the Board of Directors approved for a dividend to be paid to its shareholders amounting to KHR32,252,682 thousand (equivalent to US$8,041,058) (2024: KHR53,895,930 thousand) (equivalent to US$13,238,990). The dividend distribution was approved by the National Bank of Cambodia on 21 November 2025 and had been paid to the shareholders on the same date.

25. Regulatory reserves

Regulatory reserves represented the variance between impairment losses on financial instruments in accordance with CIFRSs and the regulatory provision in accordance with the requirement of the National Bank of Cambodia.

As at 31 December 2025, the Company transferred from retained earnings to regulatory reserves as follows:

	Deposit and placements at banks KHR'000	Loans and advances at amortised cost KHR'000	Other assets KHR'000	Total KHR'000
At 31 December 2025				
Allowance per NBC	4,682,270	440,756,935	34,296	445,473,501
Less: Allowances per CIFRS 9	(4,621,420)	(267,724,354)	-	(272,345,774)
Regulatory reserve (A)				173,127,727
At 31 December 2024				
Allowance per NBC	5,622,217	229,380,591	31,053	235,033,861
Less: Allowances per CIFRS 9	(5,447,603)	(180,393,550)	-	(185,841,153)
Regulatory reserve (B)				49,192,708
Transfer from retained earnings to regulatory reserves (A - B)				123,935,019
In US$ equivalent (Note 2.4(iii))				30,883,384

26. Other reserves

Other reserves represented the variance of allowance between loan and advances impairment loss in accordance with CIFRSs or NBC provision whichever is higher, then compare with the loan and advances allowance covering 100% risk coverage ratio of Non-Performing Loan "PAR 90 days" in accordance with lender covenants.

As at 31 December 2025, the Company transferred from retained earnings to other reserves accumulatively amounting to KHR119,724,093 thousands (equivalent to US$29,717,584) (31 December 2024: KHR131,611,428 thousands (equivalent to US$32,679,791)).

27. Net interest income

	2025 KHR'000	2024 KHR'000	2025 US$ (Note 2.4(iii))	2024 US$ (Note 2.4(iii))
Interest income from financial assets at amortised cost				
Loans and advances	877,068,822	872,428,575	218,665,874	214,303,262
Deposits and placements with banks	17,418,423	15,351,255	4,342,663	3,770,881
Deposits and placements with the National Bank of Cambodia	1,294,807	1,333,572	322,814	327,577
Investment securities at amortised cost	133,400	67,997	33,259	16,703
Total interest income	895,915,452	889,181,399	223,364,610	218,418,423
Interest expense on financial liabilities at amortised cost				
Deposits from customers and banks and other financial institutions	(241,088,415)	(273,204,776)	(60,106,810)	(67,109,992)
Borrowings	(32,704,319)	(49,645,014)	(8,153,657)	(12,194,796)
Subordinated debts	(14,219,790)	(22,061,920)	(3,545,198)	(5,419,288)
Lease liabilities	(2,306,666)	(2,245,287)	(575,085)	(551,531)
Total interest expense	(290,319,190)	(347,156,997)	(72,380,750)	(85,275,607)
Net interest income	605,596,262	542,024,402	150,983,860	133,142,816

28. Net fee and commission income

	2025 KHR'000	2024 KHR'000	2025 US$ (Note 2.4(iii))	2024 US$ (Note 2.4(iii))
Fee and commission income:				
Fees and commission income on loans	1,546,218	1,841,443	385,494	452,332
Penalty income	16,821,779	14,960,875	4,193,911	3,674,988
Other fees	23	643	7	158
	18,368,020	16,802,961	4,579,412	4,127,478
Fee and commission expense	(673,518)	(641,516)	(167,918)	(157,582)
Net fee and commission income	17,694,502	16,161,445	4,411,494	3,969,896

29. Credit impairment losses

	2025 KHR'000	2024 KHR'000	2025 US$ (Note 2.4(iii))	2024 US$ (Note 2.4(iii))
Expected Credit Loss:				
Loans and advances	115,939,369	111,365,708	28,905,353	27,355,860
Deposits and placements with banks	(682,288)	(678,551)	(170,105)	(166,679)
	115,257,081	110,687,157	28,735,248	27,189,181

30. Personnel expenses

	2025 KHR'000	2024 KHR'000	2025 US$ (Note 2.4(iii))	2024 US$ (Note 2.4(iii))
Salaries and wages	135,615,131	130,411,763	33,810,803	32,034,331
Other benefits	26,614,128	19,069,591	6,635,285	4,684,253
	162,229,259	149,481,354	40,446,088	36,718,584

31. Depreciation and amortisation charges

	2025 KHR'000	2024 KHR'000	2025 US$ (Note 2.4(iii))	2024 US$ (Note 2.4(iii))
Depreciation of property and equipment (Note 12)	5,426,707	5,403,731	1,352,956	1,327,372
Amortisation of right-of-use assets (Note 13)	7,509,097	7,213,556	1,872,126	1,771,937
Amortisation of intangible assets (Note 14)	1,779,429	2,106,459	443,637	517,430
	14,715,233	14,723,746	3,668,719	3,616,739

32. Other operating expenses

	2025 KHR'000	2024 KHR'000	2025 US$ (Note 2.4(iii))	2024 US$ (Note 2.4(iii))
Professional fees	13,238,095	13,585,138	3,300,448	3,337,052
Rental expense related to short-term lease and lease of low-value assets	10,446,622	9,869,372	2,604,493	2,424,311
Insurance	5,091,813	5,312,976	1,269,462	1,305,079
Travelling expenses	4,649,004	6,447,231	1,159,064	1,583,697
Communication	3,154,775	3,019,336	786,531	741,669
Office supplies and stationery	2,578,356	2,584,267	642,821	634,799
Utilities	2,230,735	2,405,466	556,154	590,878
Security guard	1,349,191	1,491,876	336,373	366,464
Advertising	1,719,338	2,122,245	428,656	521,308
Board of directors' expenses (Note 37(f))	754,845	754,401	188,194	185,311
Repairs and maintenance	492,333	536,737	122,746	131,844
Charitable contributions	179,427	437,141	44,734	107,379
Fees and penalties waived off	25,141,985	-	6,268,259	-
Others	10,069,368	10,294,009	2,510,436	2,528,621
	81,095,887	58,860,195	20,218,371	14,458,412

33. Income tax expense

(a) Income tax expense

	2025 KHR'000	2024 KHR'000	2025 US$ (Note 2.4(iii))	2024 US$ (Note 2.4(iii))
Current income tax	35,723,097	36,609,129	8,906,281	8,992,663
Deferred income tax	24,093,624	6,084,201	6,006,888	1,494,522
	59,816,721	42,693,330	14,913,169	10,487,185

33. Income tax expense (continued)

(b) Reconciliation of income tax expense and accounting profit

Under the Cambodian tax regulations, the Company is subject to 20% Income Tax. The reconciliation of income tax computed at the statutory tax rate to the income tax expense as shown in the profit or loss were as follows:

	%	2025 KHR'000	%	2024 KHR'000	2025 US$ (Note 2.4(iii))	2024 US$ (Note 2.4(iii))
Profit before income tax		271,969,611		205,537,202	67,805,938	50,488,137
Tax at rate of 20%	20	54,393,922	20	41,107,440	13,561,187	10,097,627
Tax effect of reconciling items:						
Expenses not deductible for tax purposes	2.2	5,994,424	0.26	538,022	1,494,496	132,160
Others	(0.21)	(571,625)	0.51	1,047,868	(142,514)	257,398
Income tax expense	22	59,816,721	20.77	42,693,330	14,913,169	10,487,185

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

34. Cash and cash equivalents

	31 December 2025 KHR'000	2024 KHR'000	31 December 2025 US$ (Note 2.4(iii))	2024 US$ (Note 2.4(iii))
Cash on hand (Note 4)	92,180,590	108,021,390	22,970,493	26,837,612
Deposits and placements with the National Bank of Cambodia:				
Settlement accounts (Note 5)	43,428,312	67,783,263	10,821,907	16,840,562
Current accounts (Note 5)	96,519,772	151,610,099	24,051,775	37,667,105
Deposits and placements with banks:				
Savings accounts (Note 6)	133,413,484	157,125,366	33,245,324	39,037,358
Current accounts (Note 6)	234,555,353	170,685,773	58,448,879	42,406,403
Fixed deposits with original maturity of three months or less (Note 6)	100,258,163	189,974,447	24,983,345	47,198,620
	700,355,674	845,200,338	174,521,723	209,987,660

35. Cash flow information

(a) Cash flow used in operations

	2025 KHR'000	2024 KHR'000	2025 US$ (Note 2.4(iii))	2024 US$ (Note 2.4(iii))
Profit before income tax	271,969,611	205,537,202	67,805,938	50,488,137
Adjustments for:				
Depreciation and amortisation charges (Note 31)	14,715,233	14,723,746	3,668,719	3,616,739
Credit impairment losses (Note 29)	115,257,081	110,687,157	28,735,248	27,189,181
Net (gains)/losses on derecognition of financial assets measured at amortised cost	(2,919,807)	25,999,966	(727,950)	6,386,629
Gain on disposals of property and equipment	(198,435)	(279,637)	(49,473)	(68,690)
Written off on intangible assets	-	192,585	-	47,307
Provision for employee benefits	7,161,282	7,270,445	1,785,411	1,785,911
Unrealised exchange loss/(gains)	5,705,063	(5,294,780)	1,422,354	(1,300,609)
Net interest income (Note 27)	(605,596,262)	(542,024,402)	(150,983,860)	(133,142,816)
Changes in working capital:				
Reserve requirement deposits	(610,216)	31,743,371	(152,136)	7,797,438
Loans and advances	(183,594,050)	(244,782,011)	(45,769,397)	(60,128,227)
Other assets	(2,240,071)	(108,763)	(558,482)	(26,717)
Deposits from banks and other financial institutions	(67,084,865)	143,380,827	(16,725,222)	35,220,051
Deposits from customers	127,747,623	203,329,158	31,849,320	49,945,752
Other liabilities	6,112,351	(1,919,232)	1,523,897	(471,440)
Cash used in operations	(313,575,463)	(51,544,368)	(78,178,874)	(12,661,354)

35. Cash flow information (continued)

(b) Net debt reconciliation

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

Net debt	2025 KHR'000	2024 KHR'000	2025 US$ (Note 2.4(iii))	2024 US$ (Note 2.4(iii))
Cash and cash equivalents	700,355,674	845,200,338	174,521,723	209,987,660
Borrowings	(361,568,498)	(592,478,916)	(90,099,301)	(147,199,731)
Subordinated debts	(68,736,671)	(178,978,277)	(17,128,500)	(44,466,653)
Lease liabilities	(27,762,781)	(28,859,765)	(6,918,211)	(7,170,128)
Net debt	242,287,724	44,883,380	60,375,711	11,151,148
Cash and liquid investments	700,355,674	845,200,338	174,521,723	209,987,660
Gross debt – fixed interest rates	(458,067,950)	(800,316,958)	(114,146,012)	(198,836,512)
Net debt	242,287,724	44,883,380	60,375,711	11,151,148

35. Cash flow information (continued)

(b) Net debt reconciliation (continued)

	Borrowings KHR'000	Leases KHR'000	Subordinated Debts KHR'000	Sub-total KHR'000	Cash KHR'000	Total KHR'000
Net debt as at 1 January 2025	(592,478,916)	(28,859,765)	(178,978,277)	(800,316,958)	845,200,338	44,883,380
Cash flows	228,459,580	7,531,334	108,631,800	344,622,714	(144,844,664)	199,778,050
New leases	-	(5,840,594)	-	(5,840,594)	-	(5,840,594)
Foreign exchange adjustments	(760,506)	86,545	(820,638)	(1,494,599)	-	(1,494,599)
Other changes (i)	3,211,344	(680,301)	2,430,444	4,961,487	-	4,961,487
Net debt as at 31 December 2025	(361,568,498)	(27,762,781)	(68,736,671)	(458,067,950)	700,355,674	242,287,724
In US$ equivalent (Note 2.4(iii))	(90,099,302)	(6,918,211)	(17,128,500)	(114,146,013)	174,521,723	60,375,710
Net debt as at 1 January 2024	(884,096,100)	(27,481,666)	(253,753,175)	(1,165,330,941)	932,327,813	(233,003,128)
Cash flows	281,176,040	7,839,501	71,111,400	360,126,941	(87,127,475)	272,999,466
New leases	-	(8,323,041)	-	(8,323,041)	-	(8,323,041)
Foreign exchange adjustments	(8,132,186)	424,010	(2,910,321)	(10,618,497)	-	(10,618,497)
Other changes (i)	18,573,330	(1,318,569)	6,573,819	23,828,580	-	23,828,580
Net debt as at 31 December 2024	(592,478,916)	(28,859,765)	(178,978,277)	(800,316,958)	845,200,338	44,883,380
In US$ equivalent (Note 2.4(iii))	(147,199,731)	(7,170,128)	(44,466,653)	(198,836,511)	209,987,660	11,151,150

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

36. Commitments and contingencies

(a) Loan commitment and guarantee

As at 31 December 2025, the Company have outstanding commitments on unused speed draft to customers as below:

	31 December		31 December	
	2025 KHR'000	2024 KHR'000	2025 US$ (Note 2.4(iii))	2024 US$ (Note 2.4(iii))
Within one year	604,452	368,251	150,623	91,491

(b) Lease commitments

The Company recognised right-of-use assets and lease liabilities for lease contracts where the Company is a lessee, except for short-term leases and low value leases, see Note 2.10 and Note 12 for further information. The lease commitments of short-term leases and low value leases are as follows:

	31 December		31 December	
	2025 KHR'000	2024 KHR'000	2025 US$ (Note 2.4(iii))	2024 US$ (Note 2.4(iii))
Within one year	6,774	24,969	1,688	6,203

(c) Capital commitments

	2025 KHR'000	2024 KHR'000	2025 US$ (Note 2.4(iii))	2024 US$ (Note 2.4(iii))
Intangible assets:				
Within one year	-	125,300	-	31,130

37. Related-party transactions

The Company entered into a number of transactions with related parties in the normal course of business. The volumes of related party transactions, outstanding balance at the year end and relating expenses and income for the year are as follows:

(a) Related parties and relationships

The related parties of the Company are as follows:

Relationship	Related party
Ultimate parent	LOLC Holdings Plc.
Shareholders	LOLC Asia Private Limited
	TPC-ESOP Co., Ltd.
Associate	Serendib Micro Insurance Plc
Related company	Entity under the same parent company
Key management personnel	All directors of the Company who make critical decisions in relation to the strategic direction of the Company and senior management staff (including their close family members)

(b) Loans and advances to key management personnel

	2025 KHR'000	2024 KHR'000	2025 US$ (Note 2.4(iii))	2024 US$ (Note 2.4(iii))
Loans to key management personnel	2,007,773	2,895,100	500,317	719,280
Interest income	225,659	289,310	56,260	71,066

Loans and advances to key management personnel are secured and having interest rate of 6.79% to 14.40% (2024: 7.66% to 14.40%) per annum. Allowances for expected credit losses for loans to related parties was recognised during the year of KHR1,642 thousand (2024: KHR473 thousand).

(c) Payables to related parties

	31 December		31 December	
	2025 KHR'000	2024 KHR'000	2025 US$ (Note 2.4(iii))	2024 US$ (Note 2.4(iii))
Payables to related companies (Note 22)	2,638,455	2,210,336	657,477	549,152

The payables to related companies are unsecured and bear no interest.

37. Related-party disclosures (continued)

(d) Deposits from related parties

	31 December 2025 KHR'000	31 December 2024 KHR'000	31 December 2025 US$ (Note 2.4(iii))	31 December 2024 US$ (Note 2.4(iii))
Shareholders	105,727	100,670	26,346	25,011
Board of directors	2,283,971	2,224,157	569,143	552,586
Key management personnel	22,954,817	18,242,169	5,720,114	4,532,216
Related companies	1,437,880	1,168,501	358,306	290,311
	26,782,395	21,735,497	6,673,909	5,400,124
Interest payable	769,730	756,582	191,809	187,971
Interest expense	1,048,158	1,066,272	261,321	261,919

Annual interest rates during the year are as follows:

	31 December 2025	31 December 2024
Shareholders	2.00% – 5.75%	3.00% - 7.00%
Board of directors	2.00% – 7.00%	3.00% - 7.75%
Key management personnel	2.00% – 9.13%	0.00% – 9.13%
Related companies	2.00% – 3.00%	0.00% – 3.00%

(e) Transactions with related parties

		2025 KHR'000	2024 KHR'000	2025 US$ (Note 2.4(iii))	2024 US$ (Note 2.4(iii))
(i)	*Incomes from related companies:*				
	Rental income	-	19,708	-	4,841
	Management fee income	187,815	203,530	46,825	49,995
	Commission income	11,417,725	8,120,615	2,846,603	1,994,747
		11,605,540	8,343,853	2,893,428	2,049,583

37. Related-party disclosures (continued)

(e) Transactions with related parties (continued)

	2025 KHR'000	2024 KHR'000	2025 US$ (Note 2.4(iii))	2024 US$ (Note 2.4(iii))
(ii) Expenses/payment to related companies:				
License fees	682,275	2,113,479	170,101	519,155
IT consultancy and support fees	3,044,850	1,805,769	759,125	443,569
	3,727,125	3,919,248	929,226	962,724

(f) Key management compensation

	2025 KHR'000	2024 KHR'000	2025 US$ (Note 2.4(iii))	2024 US$ (Note 2.4(iii))
Directors' fees	754,845	754,401	188,194	185,311
Salaries and other benefits to key management	13,090,957	13,220,609	3,263,764	3,247,509
	13,845,802	13,975,010	3,451,958	3,432,820

38. Financial risk management

The Company embraces risk management as an integral part of the Company's business, operations and decision-making process. In ensuring that the Company 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 Company'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.

38. Financial risk management (continued)

	31 December		31 December	
	2025 KHR'000	2024 KHR'000	2025 US$ (Note 2.4(iii))	2024 US$ (Note 2.4(iii))
Financial assets				
Financial assets at amortised costs				
Cash on hand	92,180,590	108,021,390	22,970,493	26,837,612
Deposits and placements with the National Bank of Cambodia	139,948,084	221,714,379	34,873,682	55,084,318
Deposits and placements with banks	463,605,580	556,774,147	115,525,936	138,328,981
Investment securities at amortised cost	3,324,861	3,339,960	828,523	829,804
Loans and advances at amortised cost	5,242,505,943	5,135,970,992	1,306,380,748	1,276,017,638
Other financial assets	3,431,731	3,105,224	855,154	771,484
	5,944,996,789	6,028,926,092	1,481,434,536	1,497,869,837
Financial assets at fair value through other comprehensive income	60,195	60,375	15,000	15,000
Total financial assets	5,945,056,984	6,028,986,467	1,481,449,536	1,497,884,837
Financial liabilities				
Financial liabilities at amortised cost				
Deposits from banks and other financial institutions	269,871,824	336,956,689	67,249,395	83,715,948
Deposits from customers	3,814,670,116	3,693,593,747	950,578,150	917,663,043
Borrowings	361,568,498	592,478,916	90,099,301	147,199,731
Subordinated debts	68,736,671	178,978,277	17,128,500	44,466,653
Lease liabilities	27,762,781	28,859,765	6,918,211	7,170,128
Other financial liabilities	7,244,416	6,601,558	1,805,237	1,640,139
Total financial liabilities	4,549,854,306	4,837,468,952	1,133,778,794	1,201,855,642
Net financial assets	1,395,202,678	1,191,517,515	347,670,742	296,029,195

38. Financial risk management (continued)

38.1. Credit risk

Credit risk is the risk of suffering financial loss, should any of the Company's customers or market counterparties fail to fulfil their contractual obligations to the Company. Credit risk arises from deposits and placements with the National Bank of Cambodia and 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 Company 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.

Deposits and placements with the National Bank of Cambodia and banks are considered to be low credit risk. The credit ratings of these assets are monitored for credit deterioration. Measurement for impairment is limited to 12-month expected credit loss. Other financial assets at amortised cost are monitored for its credit rating deterioration, and the measurement of impairment follows a three-stage approach in note 38.1(c).

(b) Risk limit control and mitigation policies

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

The Company 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 Company 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);
- Movable properties
- Cash in the form of margin deposits, if any.

38. Financial risk management (continued)

38.1. Credit risk (continued)

(c) Impairment (expected credit loss) policies

The measurement of expected credit loss allowance under the CIFRS 9's three-stage approach is to recognise lifetime expected credit loss 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 expected credit loss allowance.

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 expected credit loss 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 expected credit loss allowance are recognised.
- Stage 3 includes financial instruments that have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit loss allowance are recognised.
- Purchased or originated credit-impaired financial assets are those financial assets that are credit-impaired on initial recognition. Their expected credit loss allowance is always measured on a lifetime basis (Stage 3).

The key judgements and assumptions adopted by the Company 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 more than 30 days for short term facility and 90 days past due for long term facility.

38. Financial risk management (continued)

38.1. Credit risk (continued)

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

(ii) Definition of default and credit impaired

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

- Where the principal or interest or both of any of the credit facility is past due for more than 90 days or 3 months; or
- Where the amount is past due or the outstanding amount has been in excess of the approved limit for 90 days or 3 months or less, the loan exhibits credit weaknesses and is downgraded to Impaired High Risk; or
- When an obligor/counterparty has multiple loans with the Company 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) Restructured financial assets

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognised (see 2.6(c)) and ECL are measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

(iv) 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 collective basis.

38. Financial risk management (continued)

38.1. Credit risk (continued)

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

(iv) Measuring (ECL - inputs, assumptions and estimation techniques) (continued)

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.

Probability of default

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 is the total amount that the Company is exposed to at the time the borrower defaults.

For amortising products and bullet repayment loans, the 12-month and lifetime EADs are determined based on the expected payment profile which is the contractual repayments owed by the borrower over a 12-month or remaining maturity.

Loss Given Default

LGD represents the Company'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.

38. Financial risk management (continued)

38.1. Credit risk (continued)

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

(iv) Measuring (ECL - inputs, assumptions and estimation techniques) (continued)

Loss Given Default (continued)

LGDs are determined based on historical data available for each portfolio to assess cooling-off period which cut-off at month where cumulative recovery amount is more than 90%. These vary by product type.

For portfolio 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 year.

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

The calculation of ECL incorporate forward-looking information. The Company has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio.

These economic variables and their associated impact on the PD vary by financial instrument. Expert judgement has also been applied in this process. The historical and forecasts of these economic variables (the base economic scenario) are sourced from external research house. The impact of these economic variables on the PD has been determined by performing statistical regression analysis to understand the impact changes in these variables have had historically on default rates, while LGD is based historical recovery post default and the Company's consideration of projected collateral value through collateral haircut, except for Group loan portfolio that has incorporated forward-looking information and EAD is based on the expected payment profiles.

In addition to the based economic scenario, the Company considers other possible scenarios along with scenario weightings. The number of other scenarios used is set based on the analysis of each major product type to ensure non-linearities are captured. The number of scenarios and their attributes are reassessed at each reporting date. At 31 December 2025 and 31 December 2024, the Company concluded that three scenarios appropriately captured non-linearities. The scenario weightings are determined by a combination of statistical analysis and expert credit judgement, taking account of the range of possible outcomes each chosen scenario is representative of.

To consider the effect of the changes in the economy and external environment on the Company's loans and advances, the management continuously refreshes the macroeconomic variables quarterly to reflect the current economic condition in its forward-looking model. For the year ended 31 December 2025, the management has refreshed the latest macroeconomics variables available which were up to 31 December 2024.

38. Financial risk management (continued)

38.1. Credit risk (continued)

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

(v) Forward-looking information incorporated into the ECL models (continued)

Having reflected the most recent economic conditions within the existing ECL model, the management determines that the percentages for probability-weighted scenarios of 70% (2024: 70%) for base case, 10% (2024: 20%) for best case, and 20% (2024: 10%) for worst case reflect the current economic prospect from external research houses.

As with any economic forecasts, the projects and likelihoods of occurrence are subject to a high degree of inherent uncertainty and therefore the actual outcomes may be significantly different to those projected. The Company considers these forecasts to represent its best estimate of the possible outcomes and has analysed the non-linearities and asymmetries within the Company's different portfolios to establish that the chosen scenarios are appropriately representative of the range of possible scenarios.

Macroeconomic variable assumptions

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

	Base %	Best %	Worst %
As at 31 December 2025			
Scenario probability weighting	70	10	20
As at 31 December 2024			
Scenario probability weighting	70	20	10

Sensitivity analysis

The Company has used different macro-economic variable pairs for each portfolio based on the result of statistical regression analysis and expert judgement which makes intuitive or business sense. The Company regularly performs statistical testing on its forward looking models and refreshes macro-economic variable pairs that are fit for use based on the latest qualitative and quantitative data available. The macro-economic variable pairs that have been used for the year ended 31 December 2025 and 31 December 2024 are as follows:

38. Financial risk management (continued)

38.1. Credit risk (continued)

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

(v) Forward-looking information incorporated into the ECL models (continued)

Sensitivity analysis (continued)

Model	Portfolio	2025	2024
PD	Group loan	USDKHR	USDKHR
		Foreign direct investment (% of GDP)	Foreign direct investment (% of GDP)
	Individual loan	USDKHR	USDKHR
		Foreign direct investment (% of GDP)	Foreign direct investment (% of GDP)
	Life improvement loan asset backed	Unemployment	Unemployment
		Goods & Services GDP	Goods & Services GDP
	Home improvement loan	Foreign direct investment (% of GDP)	Foreign direct investment (% of GDP)
		USDKHR	USDKHR
	Seasonal loan	Current account balance GDP	Current account balance GDP
		Foreign direct investment (% of GDP)	Foreign direct investment (% of GDP)
	SME loan	GDP constant 2000	USDKHR
		Foreign direct investment (% of GDP)	Foreign direct investment (% of GDP)
	Staff loan	USDKHR	Crude oil brent
		Private consumption expenditure	Private consumption expenditure
LGD	Group loan	N/A	N/A
		N/A	N/A

Set out below are the estimated changes to the ECL for the year ended 31 December 2025 and 31 December 2024 due to the possible changes in the macro-economic variables from the actual assumption used. The changes in the macro-economic variables (MEVs) are set to change together with their own pairs and are each analysed for a sensitivity range within a standard deviation, a common statistical term predicting the variation from the forecasted macro-economic variables.

38. Financial risk management (continued)

38.1. Credit risk (continued)

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

(v) Forward-looking information incorporated into the ECL models (continued)

Sensitivity analysis (continued)

	ECL		ECL	
	2025 KHR'000	**2024 KHR'000**	**2025 US$** (Note 2.4(iii))	**2024 US$** (Note 2.4(iii))
Group loan				
Variation added to MEVs	(736,438)	(129,693)	(183,513)	(32,222)
Variation deducted from MEVs	560,493	126,904	139,669	31,529
Individual loan				
Variation added to MEVs	(5,308,478)	391,645	(1,322,820)	97,303
Variation deducted from MEVs	4,426,774	(411,473)	1,103,108	(102,229)
Life improvement loan asset backed				
Variation added to MEVs	(4,950,699)	(4,652,060)	(1,233,665)	(1,155,791)
Variation deducted from MEVs	2,449,320	3,201,998	610,346	795,527
Home improvement loan				
Variation added to MEVs	(377,757)	(40,706)	(94,133)	(10,113)
Variation deducted from MEVs	246,695	36,579	61,474	9,088
Seasonal loan				
Variation added to MEVs	756,636	97,991	188,546	24,346
Variation deducted from MEVs	(945,897)	(112,657)	(235,708)	(27,989)
SME loan				
Variation added to MEVs	6,026,868	(1,388,434)	1,501,836	(344,953)
Variation deducted from MEVs	(14,915,530)	1,320,434	(3,716,803)	328,058
Staff loan				
Variation added to MEVs	(1,973)	1,418	(492)	352
Variation deducted from MEVs	1,733	(1,563)	432	(388)

38. Financial risk management (continued)

38.1. Credit risk (continued)

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

(vi) 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 group to be statistically credible. Where sufficient information is not available internally, the Company 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.

(vii) Write off

Write-off is usually taken when relevant recovery actions have been exhausted or further recovery is not economically feasible or justifiable. When a loan or debt instrument is deemed uncollectible, it is written off against the related allowance for impairment. Such loans are either written off in full or partially after taking into consideration the realisable value of collateral (if any) and when in the judgement of the management, there is no prospect of recovery. All write-offs must be approved by the Board or its delegated authorities.

Recoveries of amounts previously written off are included in 'Net gains or losses on the derecognition of financial assets measured at amortised cost' in the statement of profit and loss.

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

(viii) Modification of loans

The Company sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Company assesses whether or not the new terms are substantially different from the original terms. The Company 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.

38. Financial risk management (continued)

38.1. Credit risk (continued)

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

(viii) Modification of loans (continued)

- 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 Company monitors the subsequent performance of modified assets. The Company 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.

(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 Company would have to pay if the obligations of the instruments issued are called upon. The table below shows the maximum exposure to credit risk for the Company on financial instruments subject to impairment:

	2025 KHR'000	2024 KHR'000	2025 US$ (Note 2.4(iii))	2024 US$ (Note 2.4(iii))
Credit risk exposure relating to on-balance sheet assets:				
Deposits and placements with banks	463,605,580	556,774,147	115,525,936	138,328,981
Investment securities at amortised cost	3,324,861	3,339,960	828,523	829,804
Loans and advances at amortised cost	5,242,505,943	5,135,970,992	1,306,380,748	1,276,017,638
Other financial assets	3,431,731	3,105,224	855,154	771,484
Total maximum credit risk exposure that are subject to impairment	5,712,868,115	5,699,190,323	1,423,590,361	1,415,947,907

38. Financial risk management (continued)

38.1. Credit risk (continued)

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

Credit risk exposure relating to off-balance sheet assets:

	2025 KHR'000	2024 KHR'000	2025 US$ (Note 2.4(iii))	2024 US$ (Note 2.4(iii))
Total maximum credit risk exposure that are subject to impairment	604,452	368,251	150,623	91,491

The above table represents a worst-case scenario of credit risk exposure to the Company, since collateral held and/or other credit enhancement attached were not taken into account. The exposures set out above are based on net carrying amounts. As shown above, 92% (2024: 90%) 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 Company's loans and advances due to the following:

- Almost all loans and advances are collateralised and loan to collateral value range from 50% to 80%.
- The Company has a proper credit evaluation process in place for granting of loans and advances to customers.
- All of the deposits and placement with banks are held with local banks and management has done proper risk assessment and believe there will be no material loss from these local banks.

(e) Credit quality of financial assets

The Company assesses credit quality of loans, advances and financing using internal rating techniques tailored to the various categories of products and counterparties. These techniques have been developed internally and combine statistical analysis with credit officers judgement.

38. Financial risk management (continued)

38.1. Credit risk (continued)

(e) Credit quality of financial assets (continued)

Credit quality description is summarised as follows:

Credit quality	Description
Standard monitoring	Obligors in this category exhibit strong capacity to meet financial commitment. The Company monitors obligors in this category by delinquency status. Obligors that are less than 30 days past due on its contractual payments for both short-term and long-term facilities are in standard monitoring.
Special monitoring	Obligors in this category have a fairly acceptable capacity to meet financial commitments. The Company monitors obligors in this category by delinquency status. Obligors that are 30 days past due on its contractual payments are included in special monitoring.
Default/Credit impaired	Obligors are assessed to be impaired.

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 National Bank of Cambodia/government or guarantee by the National Bank of Cambodia/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.

38. Financial risk management (continued)

38.1. 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 KHR'000	Lifetime ECL not Credit-Impaired KHR'000	Lifetime ECL Credit-Impaired KHR'000	Total KHR'000	12-month ECL KHR'000	Lifetime ECL not Credit-Impaired KHR'000	Lifetime ECL Credit-Impaired KHR'000	Total KHR'000
Deposits and placements with banks								
Investment grade	51,494,398	-	-	51,494,398	109,614,660	-	-	109,614,660
Un-graded	416,732,602	-	-	416,732,602	452,607,090	-	-	452,607,090
Gross carrying amount	468,227,000	-	-	468,227,000	562,221,750	-	-	562,221,750
Less: Expected credit loss	(4,621,420)	-	-	(4,621,420)	(5,447,603)	-	-	(5,447,603)
Net carrying amount	463,605,580	-	-	463,605,580	556,774,147	-	-	556,774,147
In US$ equivalent (Note 2.4(iii))	115,525,936	-	-	115,525,936	138,328,981	-	-	138,328,981

38. Financial risk management (continued)

38.1. 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: (continued)

	2025				2024			
	12-month ECL KHR'000	Lifetime ECL not Credit-Impaired KHR'000	Lifetime ECL Credit-Impaired KHR'000	Total KHR'000	12-month ECL KHR'000	Lifetime ECL not Credit-Impaired KHR'000	Lifetime ECL Credit-Impaired KHR'000	Total KHR'000
Loans and advances at amortised cost								
Standard monitoring	4,484,119,998	-	-	4,484,119,998	4,515,237,712	-	-	4,515,237,712
Special monitoring	-	379,014,726	-	379,014,726	-	438,448,450	-	438,448,450
Default	-	-	647,095,573	647,095,573	-	-	362,678,380	362,678,380
Gross carrying amount	4,484,119,998	379,014,726	647,095,573	5,510,230,297	4,515,237,712	438,448,450	362,678,380	5,316,364,542
Less: Expected credit loss	(24,698,325)	(24,926,346)	(218,099,683)	(267,724,354)	(18,919,816)	(17,235,755)	(144,237,979)	(180,393,550)
Net carrying amount	4,459,421,673	354,088,380	428,995,890	5,242,505,943	4,496,317,896	421,212,695	218,440,401	5,135,970,992
In US$ equivalent ((Note 2.4(iii))	1,111,243,876	88,235,330	106,901,542	1,306,380,748	1,117,097,614	104,649,117	54,270,907	1,276,017,638

38. Financial risk management (continued)

38.1. Credit risk (continued)

(f) Loss allowance

The following tables show reconciliation from the opening to the closing balance of the loss allowance by class of financial instrument – Deposit and placements with banks

	2025			
	Stage 1 12-month ECL KHR'000	Stage 2 Lifetime ECL not Credit-Impaired KHR'000	Stage 3 Lifetime ECL Credit-Impaired KHR'000	Total KHR'000
Expected Credit Losses				
Loss allowance as at 1 January	5,447,603	-	-	5,447,603
Net remeasurement of loss allowance	(2,862,211)	-	-	(2,862,211)
New financial assets originated	2,179,923	-	-	2,179,923
Foreign exchange difference	(143,895)	-	-	(143,895)
Loss allowance as at 31 December	4,621,420	-	-	4,621,420
In US$ equivalent (Note 2.4(iii))	1,151,612	-	-	1,151,612

	2024			
	Stage 1 12-month ECL KHR'000	Stage 2 Lifetime ECL not Credit-Impaired KHR'000	Stage 3 Lifetime ECL Credit-Impaired KHR'000	Total KHR'000
Expected Credit Losses				
Loss allowance as at 1 January	6,252,615	-	-	6,252,615
Net remeasurement of loss allowance	(2,443,681)	-	-	(2,443,681)
New financial assets originated	1,765,130	-	-	1,765,130
Foreign exchange difference	(126,461)	-	-	(126,461)
Loss allowance as at 31 December	5,447,603	-	-	5,447,603
In US$ equivalent (Note 2.4(iii))	1,353,441	-	-	1,353,441

38. Financial risk management (continued)

38.1. Credit risk (continued)

(f) Loss allowance (continued)

Expected credit loss reconciliation – loans and advances at amortised cost

	2025			
	Stage 1 12-month ECL KHR'000	Stage 2 Lifetime ECL not Credit-Impaired KHR'000	Stage 3 Lifetime ECL Credit-Impaired KHR'000	Total KHR'000
Expected Credit Losses				
Loss allowance as at 1 January	18,919,816	17,235,755	144,237,979	180,393,550
Changes due to exposure:				
Transfer to stage 1	2,880,915	(1,152,555)	(1,728,360)	-
Transfer to stage 2	(2,153,226)	5,373,984	(3,220,758)	-
Transfer to stage 3	(2,853,687)	(8,296,275)	11,149,962	-
Net remeasurement of loss allowance (*)	199,220	4,078,229	104,909,313	109,186,762
New financial assets originated	14,511,974	13,135,939	13,296,031	40,943,944
Financial assets derecognised during the year other than write off	(7,337,931)	(6,223,721)	(20,629,685)	(34,191,337)
Write offs	(9)	(16,887)	(45,814,476)	(45,831,372)
Unwinding of discount (**)	-	-	8,869,204	8,869,204
Foreign exchange difference	531,253	791,877	7,030,473	8,353,603
Loss allowance as at 31 December	24,698,325	24,926,346	218,099,683	267,724,354
In US$ equivalent (Note 2.4(iii))	6,154,579	6,211,399	54,348,289	66,714,267

(*) Impact of the measurement of ECL due to changes in probability of default (PD) and loss given default (LGD) during the year arising from refreshing of inputs to models.

(**) The unwinding of discount on Stage 3 loans is reported within 'Interest income' so that interest income is recognised on the amortised cost (after deducting the ECL allowance).

38. Financial risk management (continued)

38.1. Credit risk (continued)

(f) Loss allowance (continued)

Expected credit loss reconciliation – loans and advances at amortised cost (continued)

	2025			
	Stage 1 12-month ECL KHR'000	Stage 2 Lifetime ECL not Credit-Impaired KHR'000	Stage 3 Lifetime ECL Credit-Impaired KHR'000	Total KHR'000
Gross carrying amount				
Gross carrying amount as at 1 January	4,515,237,712	438,448,450	362,678,380	5,316,364,542
Changes due to exposure:				
Transfer to stage 1	68,985,448	(63,740,287)	(5,245,161)	-
Transfer to stage 2	(229,338,557)	238,588,480	(9,249,923)	-
Transfer to stage 3	(192,368,645)	(160,237,845)	352,606,490	-
New financial assets originated or purchased	1,991,422,270	97,458,061	80,232,668	2,169,112,999
Financial assets derecognised during the year other than write offs	(1,669,798,304)	(171,453,262)	(63,949,212)	(1,905,200,778)
Write-offs	(19,926)	(48,871)	(69,977,669)	(70,046,466)
Gross carrying amount as at 31 December	4,484,119,998	379,014,726	647,095,573	5,510,230,297
In US$ equivalent (Note 2.4(iii))	1,117,398,455	94,446,730	161,249,830	1,373,095,015

38. Financial risk management (continued)

38.1. Credit risk (continued)

(f) Loss allowance (continued)

Expected credit loss reconciliation – loans and advances at amortised cost (continued)

	2024			
	Stage 1 12-month ECL KHR'000	Stage 2 Lifetime ECL not Credit-Impaired KHR'000	Stage 3 Lifetime ECL Credit-Impaired KHR'000	Total KHR'000
Expected Credit Losses				
Loss allowance as at 1 January	23,447,275	5,771,271	59,623,641	88,842,187
Changes due to exposure:				
Transfer to stage 1	1,003,559	(449,157)	(554,402)	-
Transfer to stage 2	(2,997,261)	4,407,275	(1,410,014)	-
Transfer to stage 3	(4,698,057)	(3,345,245)	8,043,302	-
Net remeasurement of loss allowance (*)	332,199	9,615,312	86,160,064	96,107,575
New financial assets originated	9,457,305	5,743,334	10,170,610	25,371,249
Financial assets derecognised during the year other than write offs	(6,912,451)	(933,980)	(2,266,685)	(10,113,116)
Write-offs	(14,921)	(216,826)	(32,877,215)	(33,108,962)
Unwinding of discount (**)	-	-	7,771,542	7,771,542
Foreign exchange difference	(697,832)	(3,356,229)	9,577,136	5,523,075
Loss allowance as at 31 December	18,919,816	17,235,755	144,237,979	180,393,550
In US$ equivalent (Note 2.4(iii))	4,700,575	4,282,175	35,835,523	44,818,273

(*) Impact of the measurement of ECL due to changes in probability of default (PD) and loss given default (LGD) during the year arising from refreshing of inputs to models.

(**) The unwinding of discount on Stage 3 loans is reported within 'Interest income' so that interest income is recognised on the amortised cost (after deducting the ECL allowance).

38. Financial risk management (continued)

37.1. Credit risk (continued)

(f) Loss allowance (continued)

Expected credit loss reconciliation – loans and advances at amortised cost (continued)

	2024			
	Stage 1 12-month ECL KHR'000	Stage 2 Lifetime ECL not Credit-Impaired KHR'000	Stage 3 Lifetime ECL Credit-Impaired KHR'000	Total KHR'000
Gross carrying amount				
Gross carrying amount as at 1 January	4,921,687,690	50,381,792	119,912,081	5,091,981,563
Changes due to exposure:				
Transfer to stage 1	5,949,651	(4,811,810)	(1,137,841)	-
Transfer to stage 2	(359,294,095)	362,753,813	(3,459,718)	-
Transfer to stage 3	(253,960,311)	(23,008,110)	276,968,421	-
New financial assets originated or purchased	1,942,547,059	63,839,065	40,362,100	2,046,748,224
Financial assets derecognised during the year other than write off	(1,741,632,384)	(10,222,805)	(5,167,627)	(1,757,022,816)
Write-offs	(59,898)	(483,495)	(64,799,036)	(65,342,429)
Gross carrying amount as at 31 December	4,515,237,712	438,448,450	362,678,380	5,316,364,542
In US$ equivalent (Note 2.4(iii))	1,121,798,189	108,931,292	90,106,430	1,320,835,911

38. Financial risk management (continued)

38.1. Credit risk (continued)

(g) Concentration of financial assets with credit risk exposure

(i) Industry sector

The following table breaks down the Company's main credit exposure at their gross carrying amounts less impairment if any, as categorised by the industry sectors of its counterparties.

	2025					2024				
	Deposits and placements with banks KHR'000	Investment securities at amortised cost KHR'000	Loans and advances at amortised cost KHR'000	Other financial assets KHR'000	Total KHR'000	Deposits and placements with banks KHR'000	Investment securities at amortised cost KHR'000	Loans and advances at amortised cost KHR'000	Other financial assets KHR'000	Total KHR'000
Financial institutions	468,227,000	-	-	-	468,227,000	562,221,750	-	-	-	562,221,750
Government	-	3,324,861	-	-	3,324,861	-	3,339,960	-	-	3,339,960
Household/family	-	-	1,578,677,342	-	1,578,677,342	-	-	1,419,397,914	-	1,419,397,914
Agriculture	-	-	1,382,002,678	-	1,382,002,678	-	-	1,417,524,512	-	1,417,524,512
Trade and commerce	-	-	987,102,063	-	987,102,063	-	-	998,980,153	-	998,980,153
Services	-	-	876,762,089	-	876,762,089	-	-	834,410,205	-	834,410,205
Manufacturing	-	-	418,240,847	-	418,240,847	-	-	367,318,354	-	367,318,354
Construction	-	-	191,312,895	-	191,312,895	-	-	201,516,695	-	201,516,695
Transportation	-	-	76,132,383	-	76,132,383	-	-	77,216,709	-	77,216,709
Others	-	-	-	3,431,731	3,431,731	-	-	-	3,105,224	3,105,224
Gross carrying amount	468,227,000	3,324,861	5,510,230,297	3,431,731	5,985,213,889	562,221,750	3,339,960	5,316,364,542	3,105,224	5,885,031,476
Less: expected credit loss	(4,621,420)	-	(267,724,354)	-	(272,345,774)	(5,447,603)	-	(180,393,550)	-	(185,841,153)
Net carrying amount	463,605,580	3,324,861	5,242,505,943	3,431,731	5,712,868,115	556,774,147	3,339,960	5,135,970,992	3,105,224	5,699,190,323
In US$ equivalent (Note 2.4(iii))	115,525,936	828,523	1,306,380,748	855,154	1,423,590,360	138,328,981	829,804	1,276,017,638	771,484	1,415,947,906

38. Financial risk management (continued)

38.1. Credit risk (continued)

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

(ii) Geographical sector

All of the Company's financial assets are located in Cambodia. Therefore, the Company's credit exposure is within Cambodia only.

(h) Repossessed collateral

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

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

38.2 Market risk

The Company 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.

The Company does not use derivative financial instruments such as foreign exchange contract and interest rate swaps to hedge its risk exposure.

(i) Foreign exchange risk

The Company operates in Cambodia and transacts in Khmer Riel, United States Dollars and Thai Baht (THB), and is exposed to various currency risks, primarily with respect to US$ and THB.

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

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

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

The table below summarises the Company's exposure to foreign currency exchange rate risk. Included in the table are and Company's financial instruments at their carrying amounts by currency in KHR equivalent.

38. Financial risk management (continued)

38.2. Market risk (continued)

(i) Foreign exchange risk (continued)

	In KHR'000 equivalent			
	KHR	US$	THB	Total
As at 31 December 2025				
Financial assets				
Cash on hand	26,201,785	63,735,927	2,242,878	92,180,590
Deposits and placements with the National Bank of Cambodia	46,772,603	93,175,481	-	139,948,084
Deposits and placements with banks	147,920,479	315,685,101	-	463,605,580
Investment securities at amortised cost	3,324,861	-	-	3,324,861
Loans and advances at amortised cost	1,680,368,219	3,519,831,074	42,306,650	5,242,505,943
Financial assets at fair value through other comprehensive income	-	60,195	-	60,195
Other financial assets	1,194,409	2,136,364	100,958	3,431,731
Total financial assets	1,905,782,356	3,994,624,142	44,650,486	5,945,056,984
Financial liabilities				
Deposits from banks and other financial institutions	10,473,573	259,355,937	42,314	269,871,824
Deposits from customers	302,326,396	3,511,611,447	732,273	3,814,670,116
Borrowings	148,773,736	212,794,762	-	361,568,498
Subordinated debts	-	68,736,671	-	68,736,671
Lease liabilities	-	27,762,781	-	27,762,781
Other liabilities	3,081,901	4,095,491	67,024	7,244,416
Total financial liabilities	464,655,606	4,084,357,089	841,611	4,549,854,306
Net on-balance sheet position	1,441,126,750	(89,732,947)	43,808,875	1,395,202,678
In US$ equivalent (Note 2.4(iii))	359,114,565	(22,360,565)	10,916,739	347,670,739

38. Financial risk management (continued)

38.2. Market risk (continued)

(i) Foreign exchange risk (continued)

	In KHR'000 equivalent			
	KHR	US$	THB	Total
As at 31 December 2024				
Financial assets				
Cash on hand	28,465,584	73,009,717	6,546,089	108,021,390
Deposits and placements with the National Bank of Cambodia	42,943,113	178,771,266	-	221,714,379
Deposits and placements with banks	192,679,979	364,094,168	-	556,774,147
Investment securities at amortised cost	3,339,960	-	-	3,339,960
Loans and advances at amortised cost	1,587,921,064	3,473,628,099	74,421,829	5,135,970,992
Financial assets at fair value through other comprehensive income	-	60,375	-	60,375
Other financial assets	1,059,754	1,964,839	80,631	3,105,224
Total financial assets	1,856,409,454	4,091,528,464	81,048,549	6,028,986,467
Financial liabilities				
Deposits from banks and other financial institutions	5,890,153	331,064,286	2,250	336,956,689
Deposits from customers	333,288,220	3,357,061,048	3,244,479	3,693,593,747
Borrowings	197,867,593	394,611,323	-	592,478,916
Subordinated debts	-	178,978,277	-	178,978,277
Lease liabilities	-	28,859,765	-	28,859,765
Other liabilities	2,530,372	4,037,280	33,906	6,601,558
Total financial liabilities	539,576,338	4,294,611,979	3,280,635	4,837,468,952
Net on-balance sheet position	1,316,833,116	(203,083,515)	77,767,914	1,191,517,515
In US$ equivalent (Note 2.4(iii))	327,163,507	(50,455,532)	19,321,221	296,029,196

38. Financial risk management (continued)

38.2. Market risk (continued)

(i) Foreign exchange risk (continued)

Sensitivity analysis

As shown in the table above, the Company is primarily exposed to changes in KHR/US$ and KHR/THB exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from US$ and THB denominated financial instruments.

	Impact on post tax profit KHR'000	Impact on other component of equity KHR'000	Impact on post tax profit US$	Impact on other component of equity US$
2025				
KHR/US$ exchange rate-increase by 2%	1,407,576	-	350,754	-
KHR/US$ exchange rate-decrease by 2%	(1,465,027)	-	(365,070)	-
KHR/THB exchange rate-increase by 7%	(2,292,801)	-	(571,343)	-
KHR/THB exchange rate-decrease by 7%	2,637,954	-	657,352	-
2024				
KHR/US$ exchange rate-increase by 2%	3,185,624	-	791,459	-
KHR/US$ exchange rate-decrease by 2%	(3,315,650)	-	(823,764)	-
KHR/THB exchange rate-increase by 7%	(4,070,097)	-	(1,011,204)	-
KHR/THB exchange rate-decrease by 7%	4,682,799	-	1,163,428	-

(ii) Price risk

The Company's exposure to equity securities price risk arises from investment held by the Company and classified as FVOCI. The investment amount is insignificant, so the Company did not have any policy to manage its price risk arising from investments in equity securities.

38. Financial risk management (continued)

38.2. Market risk (continued)

(iii) 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 Company's main interest rate risk arises from borrowings with variable rates, which exposes the Company to cash flow interest rate risk. The Company's borrowing consists of both fixed rates and variable rates, in which majority of the borrowings are at fixed rates as the Company's policy is to maintain at least 70% of its borrowing at fixed rate. The Company does not have fair value interest rate risk as the interest rates of financial instruments measured at amortised cost are similar to prevailing market rates.

The management of the Company 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.

38. Financial risk management (continued)

38.2. Market risk (continued)

(iii) Interest rate risk (continued)

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

As at 31 December 2025	Carrying amount KHR'000	Up to 1 month KHR'000	1 to 3 months KHR'000	3 to 12 months KHR'000	1 to 5 years KHR'000	Over 5 years KHR'000	Non-interest rate sensitive KHR'000
Financial assets							
Cash on hand	92,180,590	-	-	-	-	-	92,180,590
Deposits and placements with the National Bank of Cambodia	139,948,084	-	-	-	-	-	139,948,084
Deposits and placements with banks	463,605,580	411,499,598	-	-	-	-	52,105,982
Investment securities at amortised cost	3,324,861	-	-	-	3,324,861	-	-
Financial assets at fair value through other comprehensive income	60,195	-	-	-	-	-	60,195
Loans and advances at amortised cost	5,242,505,943	19,175,110	18,497,762	120,901,159	2,397,008,079	2,686,923,833	-
Other financial assets	3,431,731	-	-	-	-	-	3,431,731
Total financial assets	5,945,056,984	430,674,708	18,497,762	120,901,159	2,400,332,940	2,686,923,833	287,726,582

38. Financial risk management (continued)

38.2. Market risk (continued)

(iii) Interest rate risk (continued)

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

As at 31 December 2025	Carrying amount KHR'000	Up to 1 month KHR'000	1 to 3 months KHR'000	3 to 12 months KHR'000	1 to 5 years KHR'000	Over 5 years KHR'000	Non-interest rate sensitive KHR'000
Financial liabilities							
Deposits from banks and other financial institutions	269,871,824	12,767,525	68,469,257	188,635,042	-	-	-
Deposits from customers	3,814,670,116	345,652,748	13,314,255	187,464,915	3,261,677,958	5,827,967	732,273
Borrowings	361,568,498	14,011,998	89,457,700	130,836,246	127,262,554	-	-
Subordinated debts	68,736,671	-	4,017,606	31,962,994	32,756,071	-	-
Lease liabilities	27,762,781	-	31,554	126,442	11,259,896	16,344,889	-
Other financial liabilities	7,244,416	-	-	-	-	-	7,244,416
Total financial liabilities	4,549,854,306	372,432,271	175,290,372	539,025,639	3,432,956,479	22,172,856	7,976,689
Net interest repricing gap	1,395,202,678	58,242,437	(156,792,610)	(418,124,480)	(1,032,623,539)	2,664,750,977	279,749,893
In US$ equivalent (Note 2.4(iii))	347,670,740	14,513,441	(39,071,171)	(104,192,494)	(257,319,596)	664,029,648	69,710,913

38. Financial risk management (continued)

38.2. Market risk (continued)

(iii) Interest rate risk (continued)

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

As at 31 December 2024	Carrying amount KHR'000	Up to 1 month KHR'000	1 to 3 months KHR'000	3 to 12 months KHR'000	1 to 5 years KHR'000	Over 5 years KHR'000	Non-interest rate sensitive KHR'000
Financial assets							
Cash on hand	108,021,390	-	-	-	-	-	108,021,390
Deposits and placements with the National Bank of Cambodia	221,714,379	-	705,852	1,615,969	-	-	219,392,558
Deposits and placements with banks	556,774,147	184,526,844	-	44,436,164	-	-	327,811,139
Investment securities at amortised cost	3,339,960	-	-	-	3,339,960	-	-
Financial assets at fair value through other comprehensive income	60,375	-	-	-	-	-	60,375
Loans and advances at amortised cost	5,135,970,992	17,201,018	31,491,144	158,320,070	2,553,078,197	2,375,880,563	-
Other financial assets	3,105,224	-	-	-	-	-	3,105,224
Total financial assets	6,028,986,467	201,727,862	32,196,996	204,372,203	2,556,418,157	2,375,880,563	658,390,686

38. Financial risk management (continued)

38.2 Market risk (continued)

(iii) Interest rate risk (continued)

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

As at 31 December 2024	Carrying amount KHR'000	Up to 1 month KHR'000	1 to 3 months KHR'000	3 to 12 months KHR'000	1 to 5 years KHR'000	Over 5 years KHR'000	Non-interest rate sensitive KHR'000
Financial liabilities							
Deposits from banks and other financial institutions	336,956,689	25,802,939	135,243,980	175,909,318	-	-	452
Deposits from customers	3,693,593,747	483,957,447	491,159,664	2,282,531,752	434,286,842	-	1,658,042
Borrowings	592,478,916	78,659,891	119,465,600	394,353,425	-	-	-
Subordinated debts	178,978,277	-	-	121,845,396	57,132,881	-	-
Lease liabilities	28,859,765	-	16,659	161,378	10,038,266	18,643,462	-
Other financial liabilities	6,601,558	-	-	-	-	-	6,601,558
Total financial liabilities	4,837,468,952	588,420,277	745,885,903	2,974,801,269	501,457,989	18,643,462	8,260,052
Net interest repricing gap	1,191,517,515	(386,692,415)	(713,688,907)	(2,770,429,066)	2,054,960,168	2,357,237,101	650,130,634
In US$ equivalent (Note 2.4(iii))	296,029,196	(96,072,650)	(177,314,014)	(688,305,358)	510,549,110	585,648,969	161,523,139

38. Financial risk management (continued)

38.2. Market risk (continued)

(iii) Interest rate risk (continued)

Sensitivity analysis

Profit or loss is sensitive to higher/lower interest income from financial instruments as a result of changes in interest rates.

As at 31 December 2025, there is no variable interest rate subject to sensitivity analysis (31December 2024: nil).

38.3. Liquidity risk

Liquidity risk is the risk that the Company 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.

(a) Liquidity risk management process

The Company'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.

(b) Funding approach

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

(c) Non-derivative cash flows

The table below presents the cash flows payable by the Company 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 Company manages the inherent liquidity risk based on expected undiscounted cash flows.

38. Financial risk management (continued)

38.3. Liquidity risk (continued)

(c) Non-derivative cash flows (continued)

As at 31 December 2025	Carrying amount KHR'000	Gross nominal Inflows/ (outflow) KHR'000	Up to 1 month KHR'000	1 to 3 months KHR'000	3 to 12 months KHR'000	1 to 5 years KHR'000	Over 5 years KHR'000
Financial assets							
Cash on hand	92,180,590	92,180,590	92,180,590	-	-	-	-
Deposits and placements with the National Bank of Cambodia	139,948,084	139,948,084	139,948,084	-	-	-	-
Deposits and placements with banks	463,605,580	468,291,972	468,291,972	-	-	-	-
Investment securities at amortised cost	3,324,861	3,522,547	-	-	148,500	3,374,047	-
Financial assets at fair value through other comprehensive income	60,195	60,195	-	-	-	-	60,195
Loans and advances at amortised cost	5,242,505,943	8,087,494,193	761,341,533	276,103,475	902,030,059	4,675,509,204	1,472,509,922
Other financial assets	3,431,731	3,431,731	3,431,731	-	-	-	-
Total financial assets by remaining contractual maturities	5,945,056,984	8,794,929,312	1,465,193,910	276,103,475	902,178,559	4,678,883,251	1,472,570,117

38. Financial risk management (continued)g

38.3. Liquidity risk (continued)

(c) Non-derivative cash flows (continued)

As at 31 December 2025	Carrying amount KHR'000	Gross nominal Inflows/ (outflow) KHR'000	Up to 1 month KHR'000	1 to 3 months KHR'000	3 to 12 months KHR'000	1 to 5 years KHR'000	Over 5 years KHR'000
Financial liabilities							
Deposits from banks and other financial institutions	269,871,824	273,934,839	12,784,521	68,821,592	192,328,726	-	-
Deposits from customers	3,814,670,116	4,252,310,750	700,425,830	482,390,671	2,542,738,024	520,928,258	5,827,967
Borrowings	361,568,498	386,727,256	15,142,535	57,788,820	237,210,611	76,585,290	-
Subordinated debts	68,736,671	76,381,460	-	-	62,320,153	14,061,307	-
Lease liabilities	27,762,781	33,478,074	706,716	1,307,140	6,150,311	20,434,526	4,879,381
Other financial liabilities	7,244,416	7,244,416	7,244,416	-	-	-	-
Total financial liabilities by remaining contractual maturities	4,549,854,306	5,030,076,795	736,304,018	610,308,223	3,040,747,825	632,009,381	10,707,348
Net liquidity surplus/(gap)	1,395,202,678	3,764,852,517	728,889,892	(334,204,748)	(2,138,569,266)	4,046,873,870	1,461,862,769
In US$ equivalent (Note 2.4(iii))	347,670,740	938,164,096	181,632,168	(83,280,525)	(532,910,358)	1,008,441,034	364,281,776

38. Financial risk management (continued)

38.3. Liquidity risk (continued)

(c) Non-derivative cash flows (continued)

As at 31 December 2024	Carrying amount KHR'000	Gross nominal inflows (outflow) KHR'000	Up to 1 month KHR'000	1 to 3 months KHR'000	3 to 12 months KHR'000	1 to 5 years KHR'000	Over 5 years KHR'000
Financial assets							
Cash on hand	108,021,390	108,021,390	108,021,390	-	-	-	-
Deposits and placements with the National Bank of Cambodia	221,714,379	221,729,218	219,393,362	706,962	1,628,894	-	-
Deposits and placements with banks	556,774,147	564,327,133	518,081,549	-	46,245,584	-	-
Investment securities at amortised cost	3,339,960	3,671,043	-	-	148,497	3,522,546	-
Financial assets at fair value through other comprehensive income	60,375	60,375	-	-	-	-	60,375
Loans and advances at amortised cost	5,135,970,992	7,654,082,358	261,333,110	315,971,986	1,423,280,063	4,578,224,495	1,075,272,704
Other financial assets	3,105,224	3,105,224	3,105,224	-	-	-	-
Total financial assets by remaining contractual maturities	6,028,986,467	8,554,996,741	1,109,934,635	316,678,948	1,471,303,038	4,581,747,041	1,075,333,079

38. Financial risk management (continued)

38.3. Liquidity risk (continued)

(c) Non-derivative cash flows (continued)

As at 31 December 2024	Carrying amount KHR'000	Gross nominal inflows (outflow) KHR'000	Up to 1 month KHR'000	1 to 3 months KHR'000	3 to 12 months KHR'000	1 to 5 years KHR'000	Over 5 years KHR'000
Financial liabilities							
Deposits from banks and other financial institutions	336,956,689	342,486,140	25,853,359	136,390,094	180,242,687	-	-
Deposits from customers	3,693,593,747	3,862,635,274	486,703,887	503,624,885	2,389,545,911	479,131,701	3,628,890
Borrowings	592,478,916	632,492,335	16,057,395	119,671,515	390,261,376	106,502,049	-
Subordinated debts	178,978,277	206,920,712	-	6,435,120	183,418,714	17,066,878	-
Lease liabilities	28,859,765	36,151,786	687,072	1,377,762	6,430,348	21,828,519	5,828,085
Other financial liabilities	6,601,558	6,601,558	6,601,558	-	-	-	-
Total financial liabilities by remaining contractual maturities	4,837,468,952	5,087,287,805	535,903,271	767,499,376	3,149,899,036	624,529,147	9,456,975
Net liquidity (gap)/surplus	1,191,517,515	3,467,708,936	574,031,364	(450,820,428)	(1,678,595,998)	3,957,217,894	1,065,876,104
In US$ equivalent (Note 2.4(iii))	296,029,196	861,542,593	142,616,488	(112,005,075)	(417,042,484)	983,159,725	264,813,939

38. Financial risk management (continued)

38.4. Climate-related risk

Climate-related risks' are potential negative impacts on the Company arising from climate change. Climate-related risks have an impact on the principal risk categories discussed above (i.e. credit, liquidity, market and operational risks), but due to their pervasive nature have been identified and managed by the Company on an overall basis.

The Company distinguishes between physical risks and transition risks. Physical risks arise as the result of acute weather events such as hurricanes, floods and wildfires, and longer-term shifts in climate-related patterns, such as sustained higher temperatures, heat waves, droughts and rising sea levels. Transition risks arise as a result of measures taken to mitigate the effects of climate change and transition to a low-carbon economy – e.g. changes to laws and regulations, litigation due to failure to mitigate or adapt, and shifts in supply and demand for certain commodities, products and services due to changes in consumer behaviour and investor demand.

The Company has set up a Climate Risk Committee, which is responsible for developing Companywide policies, processes and controls to incorporate climate-related risks in the management of principal risk categories.

The Company has developed a climate-related risk framework for:

- identifying risk factors and assessing their potential impact on the Company's financial statements; and
- allocating responsibilities for managing each identified risk factor.

38.5. Fair value of financial assets and liabilities

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

38. Financial risk management (continued)

38.5. Fair value of financial assets and liabilities (continued)

(a) Financial instruments measured at fair value

(i) Determination of fair value and fair value hierarchy

The following table presents the Company's financial assets measured and recognised at fair value at 31 December 2025 and 31 December 2024 on a recurring basis:

	Level 1 KHR'000	Level 2 KHR'000	Level 3 KHR'000	Total KHR'000
As at 31 December 2025				
Financial assets				
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	60,195	60,195
Total financial assets	-	-	60,195	60,195
In US$ equivalent (Note 2.4(iii))	-	-	15,000	15,000
As at 31 December 2024				
Financial assets				
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	60,375	60,375
Total financial assets	-	-	60,375	60,375
In US$ equivalent (Note 2.4(iii))	-	-	15,000	15,000

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

38. Financial risk management (continued)

38.5. Fair value of financial assets and liabilities (continued)

(a) Financial instruments measured at fair value (continued)

(i) Determination of fair value and fair value hierarchy (continued)

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(ii) Valuation techniques

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

(b) Financial instruments not measured at fair value

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

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

(i) Deposits and placements with the National Bank of Cambodia and banks

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

(ii) Investment securities at amortised cost

Investment securities include government bonds where were valued at amortised cost and were purchased for the purpose of holding them until maturity and for earning interest.

38. Financial risk management (continued)

38.5. Fair value of financial assets and liabilities (continued)

(b) Financial instruments not measured at fair value (continued)

(iii) Loans and advances to customers

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

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

(iv) Deposits from banks, other financial institutions and customers

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

(v) Lease liabilities

The estimated fair value of lease liabilities with maturities of less than one year approximate the carrying values. For other lease liabilities with maturities of one year or more, the fair values are estimated based on discounted cash flows using prevailing market rates of incremental borrowings.

(vi) 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.

(vii) Borrowings and subordinated debts

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

38. Financial risk management (continued)

38.6. Capital management

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

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

The National Bank of Cambodia requires all micro-finance deposits taking institutions to i) hold the minimum capital requirement, ii) maintain the Company's net worth at least equal to the minimum capital and iii) comply with solvency and liquidity ratios.

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

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

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

The implementation of countercyclical capital buffer is as follows:

NBC's announcement		Requirement for countercyclical capital buffer ratio	Effective until
Reference No.	Issue date		
Circular No. B7-018-001	7 March 2018	0%	Further notice

In addition, on 31 December 2024, the NBC has issued Prakas No.B7-024-745 Prokor setting the required minimum capital adequacy ratio as below:

Capital Adequacy Ratio			
Total Capital Ratio	Tier 1 Capital Ratio	CET1 Capital Ratio	Total Capital Ratio
15%	11%	8%	15%

38. Financial risk management (continued)

38.6. Capital management (continued)

However, on 8 January 2025, the NBC has further issued instruction No. B37-025-023 Sor.Chur.Nor to provide options to Bank and deposit taking institutions in implementation on the new Capital Adequacy framework or former Solvency framework.

The Company chooses to apply the new Capital Adequacy Framework to prepare this financial statements.

The table below summarises the composition of regulatory capital:

	31 December		31 December	
	2025 KHR'000	2024 KHR'000	2025 US$ (Note 2.4(iii))	2024 US$ (Note 2.4(iii))
Tier I capital				
Share capital	424,377,400	424,377,400	103,969,218	103,969,218
Retained earnings	434,109,371	241,909,097	105,678,284	60,101,639
Audited net profit for the last financial year	212,152,890	162,843,872	52,866,407	40,458,105
General reserves	380,415,116	380,415,116	93,768,951	93,768,951
Other reserves	119,724,093	-	29,717,584	-
Less: Loans to related parties	(2,443,168)	(2,895,100)	(608,813)	(719,280)
Less: Investment outside the scope of regulatory consolidation	(4,073,195)	-	(1,015,000)	-
Less: Intangible asset	(8,581,220)	(11,814,205)	(2,138,355)	(2,935,206)
	1,555,681,287	1,194,836,180	382,238,276	294,643,427
Tier II complementary capital				
Subordinated debts	67,819,700	177,100,000	16,900,000	44,000,000
General provision	54,341,238	51,830,482	13,541,300	12,877,138
Provision for accrued interest receivables (*)	-	20,130,814	-	5,001,444
	122,160,938	249,061,296	30,441,300	61,878,582
Total Capital Tier I + Tier II	1,677,842,225	1,443,897,476	412,679,576	356,522,009

(*) The provision for accrued interest receivables is allowed to be added back by the NBC in accordance with its notification letter dated 5 February 2025. This requirement remain in effect solely for the duration of 31 December 2024 through 30 June 2025.

38. Financial risk management (continued)

38.7. Capital allocation

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

39. Tax contingency

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

40. Subsequent events

On 2 January 2026, the Company obtained approval from the Insurance Regulator of Cambodia ("IRC") on the total investment in equity of Serendib Micro Insurance Plc. amounting to US$1,999,000 equivalent to 48.1264% of Serendib Micro Insurance Plc.'s total share capital.

On 21 January 2026, the Company obtained No objection letter ("NOL") from the Securities and Exchange Regulator of Cambodia ("SERC") on the bond listing in the Cambodia Stock Exchange ("CSX"). The Company is still undergoing the required regulatory process.

BONDHOLDERS' REPRESENTATIVE AGREEMENT
IN RESPECT OF
THE GUARANTEED BONDS

DATED 5. August. 2026

BETWEEN

Canadia Securities Co., Ltd.
As Bondholders' Representative

AND

LOLC (Cambodia) Plc.
As Issuer

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THIS BONDHOLDERS' REPRESENTATIVE AGREEMENT IN RESPECT OF GUARANTEED BONDS (Agreement) is made on 5. August. 2026

BETWEEN:

(1) **Canadia Securities Co., Ltd.**, a Company incorporated under the laws of the Kingdom of Cambodia accredited by SERC dated 21 July 2022 as Bondholders' Representative, whose its head office is at Canadia Tower, 15th Floor, Preah Monivong Blvd, Sangkat Wat Phnom, Khan Daun Penh, Phnom Penh, Kingdom of Cambodia (hereinafter referred to as the **Bondholders' Representative**);

and

(2) **LOLC (Cambodia) Plc.**, a public limited liability Company incorporated under the laws of the Kingdom of Cambodia, having company registration 00012829 dated 28 September 2015 and license from National Bank of Cambodia No. M.F 04, dated 07 December 2023 whose office is at #666B, St 271, Sangkat Boeng Tumpun 2, Khan Mean Chey, Phnom Penh, Kingdom of Cambodia (hereinafter referred to as the **Issuer**).

In this Agreement, the Bondholders' Representative and the Issuer are each referred to individually as a **"Party"** and collectively as the **"Parties"**.

WHEREAS:

(A) The Issuer is approved by the SERC to offer Guaranteed Bonds as defined in the Bond Conditions (hereinafter referred to as the **"Guaranteed Bonds"**).

(B) The Bondholders' Representative has all qualifications required by the Applicable Law in order to act as Bondholders' Representative for the Guaranteed Bonds and approved by the SERC in respect thereof.

(C) The Bondholders' Representative agrees to perform its duties as Bondholders' Representative in order to protect the benefit of all Bondholders in respect of the Guaranteed Bonds, in accordance with the Applicable Law, the Bond Conditions and this Agreement.

(D) The Issuer wishes to appoint **Canadia Securities Co., Ltd.** to act as the Bondholders' Representative in relation to the Guaranteed Bonds and **Canadia Securities Co., Ltd.** wishes to accept the appointment of the Bondholders' Representative in accordance with the Bond Conditions (as defined below) and the terms and conditions of this Agreement.

IT IS AGREED as follows:

1. DEFINITION

In this Agreement (including the recital above), capitalised terms used but not defined herein shall have the same meaning as defined in the Bond Conditions (defined below), unless the context requires otherwise, and in addition to such terms.

"**Acceleration Step**" has the meaning given to it in the Bond Conditions.

"**Applicable Law**" means all relevant laws or rules, regulations, notices, orders of any governmental or regulatory authority that are applicable in Cambodia, and enforceable against a Party, as may be issued and amended from time to time.

"Bond Conditions" means the terms and conditions setting out the rights and obligations of the Issuer, the Bondholders, and the Guarantor in respect of the Guaranteed Bonds.

"Bond Documents" means, in respect of the Guaranteed Bonds

(a) the Disclosure Document;

(b) the Bond Conditions;

(c) the Bondholders' Representative Agreement;

(d) the Registrar, Transfer and Paying Agent Agreement;

(e) the Lead Manager Agreement;

(f) any subscription form in respect of a Guaranteed Bond; and

(g) any other supplemental agreement, prospectus or deed entered into between, amongst others, the Issuer and the Bondholders' Representative setting out the final terms of the Guaranteed Bonds

"Bondholder(s)" means, with respect to each of the Guaranteed Bonds, the person(s) who owns the Guaranteed Bond(s) in accordance with the Bond Conditions.

"Bondholders' Book" means the book of Bondholders, recording particulars of the Bondholders or other sources of registration information relating to the transfer, pledge, attachment, and other matters related to the Guaranteed Bonds in respect of the Bond Documents and the Applicable Law.

"Bondholders' Representative" means **Canadia Securities Co., Ltd.** acting as representative of the Bondholders in respect of the Guaranteed Bonds, or any successor appointed as the Bondholders' Representative in respect of the Guaranteed Bonds from time to time in accordance with the Bond Conditions, this Agreement, and the Guarantee Agreement.

"Calendar Day" means a 24-hour day from midnight to midnight denoted on a calendar.

"CIFRS" means Cambodian International Financial Reporting Standard.

"CSD" means Cambodia Securities Depository.

"CSX" means Cambodia Securities Exchange.

"Event of Default" means any of the Events of Default provided in the Bond Conditions.

"Expense" means any cost, out-of-pocket expense, disbursement, fees including legal fee and professional fee (other than the Bondholders' Representative Fee as defined in Clause 7.1 under (b)) or any other money incurred or payable by the Bondholders' Representative or incurred in connection with the Guaranteed Bonds under this Agreement and/or the Bond Conditions including expenses relating to transportation, meeting of Bondholders, implementation or enforcement of this Agreement and the Bond Conditions and/or Transaction Document in respect of the Guaranteed Bonds.

"Guarantee Agreement" means guarantee agreement entered into between the Guarantor and the Bondholders' Representative in connection with the issue of the Guaranteed Bonds.

"Guaranteed Amount" has the meaning given to it in the Guarantee Agreement.

"Guarantor" means Credit Guarantee Cooperation of Cambodia (CGCC), a state-owned enterprise established by a Sub-Decree No. 140 ANKR.BK dated 01 September 2020, incorporated under the laws of Cambodia with registration No. Co.003 ET/2020 dated 3 November 2020, with its registered head office at Business Development Centre, 19th Floor, OCIC Blvd. (corner of Street Oveng), Phum Kien Klaing, Sangkat Chroy Changvar, Khan Chroy Changvar, Phnom Penh, Cambodia.

"Issue Date" means the date on which the Issuer issues the Guaranteed Bonds under the Bond Conditions.

"Issuer" means LOLC (Cambodia) Plc.

"Lead Manager Agreement" means the lead manager agreement to be entered into between the Underwriter and the Issuer for the Underwriter to act as the lead manager for the offering and sales of the Bonds on a best effort basis.

"Meeting Rules" means the rules of Bondholders' meeting provided in the Bond Conditions.

"Non-Payment Event" has the meaning given to it in the Bond Conditions.

"Paid Guaranteed Amount" means all or any part of the Guaranteed Amount paid in accordance with the Guarantee Agreement.

"Paying Agent" means **ACLEDA Bank Plc.**, as appointed under the Registrar, Transfer Agent and Paying Agent Agreement or any successor or replacement entity thereto.

"Resolution(s)" means any resolution(s) passed by the Bondholders at a Bondholders' meeting in accordance with the Bond Conditions and the Guarantee Agreement.

"Registrar, Transfer Agent and Paying Agent Agreement" means the Contract on Providing Services of Securities Registrar, Securities Transfer Agent and Paying Agent dated on 29 May 2026 and entered into between the Issuer and **ACLEDA BANK PLC.** in connection with the issue of Guaranteed Bonds.

"Securities Registrar" means **ACLEDA BANK PLC.**, as appointed under the Registrar, Transfer Agent and Paying Agent Agreement or any successor or replacement entity thereto.

"Securities Transfer Agent" means **ACLEDA BANK PLC.**, as appointed under the Registrar, Transfer Agent and Paying Agent Agreement or any successor or replacement entity thereto.

"SERC" means the Securities and Exchange Regulator of Cambodia.

"Transaction Documents" means, in respect of the Guaranteed Bonds:

(i) Guarantee Agreement;

(ii) the Bond Conditions;

(iii) this Agreement; and

(iv) any other documents designated as such by the Issuer, the Guarantor, and the Bondholders' Representative from time to time.

"Underwriter" means Yuanta Securities (Cambodia) Plc., a public limited company incorporated under the laws of Cambodia, having a commercial registration No. 00014552 and a registered address at 4th Fl, Emerald Building, No. 64 (corner St. 178), Norodom Blvd., Phnom Penh, Cambodia.

"Working Day" means the day (other than a Saturday, Sunday and public holidays) on which banks are generally open for business in Cambodia.

2. APPOINTMENT OF BONDHOLDERS RESPRESENTATIVE

2.1 The Issuer hereby appoints **Canadia Securities Co., Ltd.** as the Bondholders' Representative and **Canadia Securities Co., Ltd.** accepts such appointment and agrees to act as such for and on behalf of the Bondholders in accordance with the Transaction Documents and the Applicable Law.

2.2 The Bondholders' Representative agrees:

(a) to perform and to comply with all duties and obligations of the Bondholders' Representative as set out in the Transaction Documents and the Applicable Law according to generally recognised professional standards;

(b) to have and to exercise all rights and powers of the Bondholders' Representative as set out in the Transaction Documents (including without limitation, all powers, duties and responsibilities set out in the Bond Conditions and Clause 3 (Powers, Duties and Authority of the Bondholders' Representative) of this Agreement and the Applicable Law);

(c) to perform and to comply with the instruction of the Guarantor pursuant to rights of the Guarantor granted under the Transaction Documents, including without limitations, with respect of the acceleration of the Guaranteed Bonds, save as provided in Clause 13.4 of the Bond Conditions;

(d) not to take any acceleration steps without the prior written consent of the Guarantor other than (1) if any amount due by the Guarantor has not been paid by the applicable due date in accordance with the Guarantee Agreement; or (2) pursuant to Clause 13.4 of the Bond Conditions; and

(e) to accept the money for and on behalf of the Bondholders in respect of the Guaranteed Bonds.

3. POWERS, DUTIES AND AUTHORITY OF THE BONDHOLDERS' REPRESENTATIVE

3.1 Power to represent the Bondholders

(a) The Bondholders' Representative has power and authority to act on behalf of, and/or represent, the Bondholders in all matters, including but not limited to entering into and performing under the Guarantee Agreement on behalf of the Bondholders, and subject to the prior written consent of the Guarantor (save in the case of an Acceleration Step taken pursuant to Clause 13.4 of the Bond Conditions), taking Acceleration Step or any legal or other action, including enforcement of the Bond Conditions, and the commencement of bankruptcy or other insolvency proceedings against the Issuer, or others in connection with the Transaction Documents.

(b) Any action taken by the Bondholders' Representatives in accordance with this Agreement is deemed to be ratified by the Bondholders as correct and legally binding upon and done in the name of the Bondholders.

3.2 The duties and authorities of the Bondholders' Representative

It is agreed that, in addition to the powers to represent the Bondholders as set forth above, the Bondholders' Representative shall have duties and authority as follows:

(a) Appointment of Advisors:

With prior written consent from the Issuer, the Bondholders' Representative may appoint advisors including legal counsel (and the reasonable fees and charges owed to such advisors shall be for the account of the Issuer) in respect of:

(1) the compliance and/or the enforcement of any provisions of the Transaction Documents;

(2) any actual or proposed amendment, waiver or consent requested by the Issuer relating to the Transaction Documents;

(3) any Event of Default or breach by the Issuer or any dispute that may arise in connection with Transaction Documents; or

(4) the performance by the Bondholders' Representative of any obligations of the Issuer under the Transaction Documents which the Issuer has failed or refused to perform.

(b) Performance:

(1) The Bondholders' Representative shall, promptly and in any event no later than 05 (five) Working Days upon the occurrence of any Event of Default, notify the Guarantor and each Bondholder of the occurrence of any Event of Default or breach of, or default under the Bond Conditions which occurrence has actually been notified by the Issuer or comes to the attention of the Bondholders' Representative including the actions taken by the Bondholders' Representative due to such occurrence;

(2) If the Issuer fails to comply with any term of the Bond Conditions (other than Non-Payment Event), the Bondholders' Representative may issue a notice to the Issuer requiring such non-compliance to be remedied within 30 (thirty) calendar days in accordance with Clause 12.2 of the Bond Conditions;

(3) If any Event of Default occurs, the Bondholders' Representative shall immediately deliver a default notice to the Issuer, the Bondholders, and the Guarantor informing of the occurrence of such Event of Default. In the event of the Issuer defaults in making a payment under any Guaranteed Bonds to any Bondholders, if otherwise not apparent or clearly proven to the contrary, it shall be presumed that such defaults in payment have occurred to all the Guaranteed Bonds;

(4) If a Non-Payment Event has occurred, the Bondholders' Representative shall promptly, send a Notice of Non-Payment (as defined in the Guarantee Agreement) to the Guarantor within the period of time specified in the Guarantee Agreement and take any required steps , in accordance with the terms and conditions set out in the Guarantee Agreement and the Bond Conditions;

(5) The Bondholders' Representative shall arrange meetings in accordance with the Bondholders' Meeting's Rules provided in the Bond Conditions with the Bondholders, the issuer and the Guarantor, and shall perform any other duties in accordance with the Transaction Documents;

(6) The Bondholders' Representative shall act as liaison for all communications between the Issuer, the Bondholders, agents and the Guarantor, which are necessary for the transactions contemplated to be carried out under Transaction Documents;

(7) Subject to Clause 3 of this Agreement, the Bondholders' Representative shall distribute to each Bondholder, including the Guarantor if the Guarantor has made the scheduled payment or the accelerated payment due under the Guarantee Agreement, pro rata according to that Bondholder's holding percentage of the Guaranteed Bonds, the proceeds derived from the result of claims made against the Issuer, the enforcement of the right of the Bondholders under Transaction Documents (other than the Guarantee Agreement) ("**Proceeds**"). The Bondholders' Representative shall also keep record of steps taken to collect and distribute the Proceeds including related expenses incurred;

(8) The Bondholders' Representative shall comply with all laws and regulations applicable to the Bondholders' Representative in such capacity including the Prakas on Accreditation of Bondholders' representative dated 17th August 2017 as may be amended and supplemented from time to time;

(9) The Bondholders' Representative shall exercise all rights under the Transaction Documents, including but not limited to demand for payment under the Guaranteed Bonds against the Issuer on behalf of the Bondholders,

and Notice of Payment Demand as defined in the Guarantee Agreement against the Guarantor;

(10) The Bondholders' Representative shall keep adequate records of all steps taken by it to enforce any of the Transaction Documents and recover Proceeds or obtain other relief for the Bondholders, including the Guarantor if the Guarantor has made the scheduled payment or the accelerated payment due under the Guarantee Agreement;

(11) The Bondholders' Representative shall exercise the degree of honesty and care necessary to protect in the interests of the Bondholders as is usual and requisite for an entity acting as a professional bondholders' representative and to act at all time in good faith; and

(12) The Bondholders' Representative may act on the opinion or advice of any lawyer, accountant and other experts appointed or selected by the Bondholders' Representative or the Issuer in order to perform its duties and obligations under the Transaction Documents and shall not have any liability when acting (or refraining from acting) upon any advice by such persons (other than for its gross negligence or wilful misconduct).

(c) Event of Default

Except as otherwise provided in the Transaction Documents, for the avoidance of doubt, the Bondholders' Representative shall not be obliged to exercise any right or take any action in relation to an Event of Default or any event that may constitute an Event of Default unless it has actual knowledge of such Event of Default or such event that may constitute an Event of Default or it has (i) the written directions from the Bondholders or (ii) directions in the form of a Bondholders' Resolution in accordance with the Bond Conditions.

(d) Reliance:

(1) Except as otherwise expressly provided in the Bond Conditions, the Bondholders' Representative shall be and is hereby authorised to assume without enquiry and it is hereby declared to be the intention that it shall assume without enquiry, in the absence of knowledge or express notice to the contrary, that the Issuer is duly performing and observing all the covenants and provisions contained in the Transaction Documents and that on the date hereof and on the Issue Date no Event of Default, and no event which, with the lapse of time and/or upon the giving of notice and/or the issuing of a certificate, would constitute an Event of Default, has occurred;

(2) The Bondholders' Representative may rely upon any written communication or document reasonably believed by it to be genuine and need not investigate any fact or matter stated in the Transaction Documents; and

(3) The Bondholders' Representative may rely upon any facts and materials provided to it in writing by any authorised persons representing the Issuer.

(e) Liabilities

(1) The Bondholders' Representative shall not be responsible for acting upon any Resolution purporting to have been passed at any meeting of the Bondholders in accordance with the Bond Conditions even though it may subsequently be found that there was some defect in the constitution of such meeting or the passing of such Resolution or that, for any reason, such resolution was not valid or binding upon the Bondholders (except where such defect was due to its gross negligence or wilful misconduct).

(2) The Bondholders' Representative shall not be liable to the Issuer or any Bondholder by reason of having accepted as valid or not having rejected any certificate of Guaranteed Bond purporting to be such and subsequently found to be forged, stolen or not authentic (other than for its negligence or wilful misconduct).

(3) The Bondholders' Representative in performing its duties under the Bond Conditions:

(a) shall not have any responsibility or liability in respect of any failure or delay by the Issuer and Guarantor in performing its respective obligations hereunder or under the Bond Conditions or other agreements relating thereto and hereto; and

(b) shall not have any responsibility or liability in respect of the execution, effectiveness, enforceability, sufficiency, legality, validity or genuineness of the Bond Conditions, the agreements and documents referred to herein and therein, or of any certificate, report, document of title or other document delivered hereunder or thereunder, any statement of the Issuer herein or therein, or the accuracy or completeness of any information was or is circulated by the Bondholders' Representative.

(f) Paying Agent:

(1) At any time, the Bondholders' Representative and the Paying Agent shall cooperate with each other and deliver, upon the reasonable request of the Bondholders' Representative or the Paying Agent, all or any documents and/or information to each other to perform their respective duties and powers and authorities under the Transaction Documents and/or the Applicable Law.

(2) At any time after an Event of Default or if any event that may constitute an Event of Default has occurred, the Bondholders' Representative may notify the Paying Agent and require the Paying Agent to act as an agent of the Bondholders' Representative in relation to making payments under the Transaction Documents, on similar terms on which the Paying Agent makes payments for and on behalf of the Issuer in the Transaction Documents. In such circumstances, subject to obtaining prior written consent from the Guarantor, the parties shall make any amendments to the Transaction Documents as the Bondholders' Representative reasonably considers necessary in order to enable the Paying Agent to act as an agent of the Bondholders' Representative in relation to making payments under the Transaction Documents, on similar terms on which the Paying Agent makes payments for and on behalf of the Issuer in the Transaction Documents.

(g) Guarantor's right of subrogation

(1) The Bondholders' Representative acknowledges and agrees that, immediately upon the payment by the Guarantor under the Guarantee Agreement of all or any part of the "Guaranteed Amount" (as defined in the Guarantee Agreement) in accordance with the Guarantee Agreement (a Paid Guaranteed Amount),

i. The Guarantor shall be fully immediately and automatically subrogated to all of the rights, powers and remedies of the Bondholders' Representative, on behalf of the Bondholders and of the Bondholders themselves to payment of the Guaranteed Amounts and any rights relating thereto;

ii. The Guarantor may exercise (but shall not be obliged to exercise) any rights and remedies that it may have at any time under any agreement or otherwise including without limitation:

- to be indemnified by the Issuer;
- to claim contribution from any other guarantor of the Issuer's obligations under or in respect of the Bond Documents;
- to take benefits (in whole or in part whether by way of subrogation, transfer, assignment or otherwise) of any rights of the Bondholders' Representative on behalf of Bondholders and of the Bondholders themselves under the Transaction Documents and any other document or any other guarantee or security taken pursuant to, or in connection with the Transaction Documents;
- to bring legal or other proceedings for an order requiring the Issuer to make any payment, or perform any obligation, in respect of which the Guarantor has given a guarantee, undertaking or indemnity;
- to exercise any rights of set-off against the Issuer;
- to claim or prove as a creditor of the Issuer;
- to direct the Bondholders' Representative and/or the Bondholders to take action in the name of the Bondholders' Representative or the Bondholders, as the case maybe, to enforce any rights of the Bondholders' Representative and/or the Bondholders against any person in relation to that Paid Guaranteed Amount; and/or
- to take such other action as it deems necessary in order to protect its rights.

(1) The Bondholders' Representative must, at its own expense, execute such instruments or documents and take such other actions as the Guarantor may require to give effect to, facilitate or evidence the subrogation referred to in this Clause 3.2 (g) and to perfect the rights of the Guarantor to receive such amounts equal to the Paid Guaranteed Amount under the Bond Documents.

(2) The Issuer agrees that if the Guarantor has made a payment under the Guarantee Agreement and/or exercised its rights in relation to any Paid Guaranteed Amount under this Clause 3 and the Guaranteed Bonds in respect of which Guarantor has been entitled to the rights of subrogation remain outstanding pursuant to the Transaction Documents, the obligations of the Issuer in respect of the Guaranteed Bonds, in proportion to such Paid Guaranteed Amount, will not be considered to be fulfilled.

4. REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties by the Bondholders' Representative

The Bondholders' Representative represents and warrants to the Issuer that as at the date hereof and as of the Issue Date:

(a) it has been established and is in existence in accordance with the laws of the place of its incorporation, and has the full power and authority to execute and perform its duties and obligations hereunder;

(b) all actions, conditions and things required by the laws of the place of its incorporation and of Cambodia to be taken, fulfilled and done (including the obtaining of any necessary shareholder, corporate, governmental, ministerial or other consents,

approvals and licences) in order to enable it to lawfully enter into, exercise its rights and perform and comply with its obligations under this Agreement or other Transaction Documents to which it is a party have been taken, fulfilled and done;

(c) its entry into, exercise of its rights and/or performance of or compliance with its obligations under the Transaction Documents to which it is a party do not and will not violate in any material way (i) any law to which it is subject or (ii) its memorandum of association, articles of association or other constitutive documents and any laws by which it is bound;

(d) its obligations under the Transaction Documents to which it is a party are legal, valid, binding and enforceable upon it in accordance with their respective terms; and

(e) it is not in liquidation or bankruptcy and has not taken any corporate action, nor have any other steps been taken or legal proceedings commenced against it, for its winding-up, bankruptcy, dissolution, reorganisation, composition or for the appointment of a receiver, liquidator, trustee, examiner or similar officer of it or of all or any of its assets or revenues.

4.2 Representations and Warranties by Issuer

The Issuer represents and warrants to the Bondholders' Representative as at the date hereof and as of the Issue Date:

(a) The Issuer has been established and is in existence in accordance with the laws of the place of its incorporation, and has been obtained the full permissions from relevant competent authorities to issue the Guaranteed Bonds pursuant to the Applicable Laws and regulations of Cambodia;

(b) the creation of the Guaranteed Bonds, the offering of the Guaranteed Bonds, the execution of the Guaranteed Bonds, the authentication of the Guaranteed Bonds (where appropriate) and the issue, the entry into or the delivery by the Issuer of each Transaction Document and the performance of the obligations to be assumed thereunder by the Issuer have been duly authorised by all necessary action required by the Applicable Laws of Cambodia;

(c) the Guaranteed Bonds, the Bond Documents and each Transaction Document (save for the Guarantee Agreement), when executed, authenticated (where appropriate) and delivered as herein contemplated, will constitute legal, valid, binding and enforceable obligations of the Issuer, except to the extent that the enforcement thereof may be limited by provisions of Applicable Laws;

(d) there exists no Event of Default and no event that may constitute an Event of Default and the Issuer is not in breach or default under any Transaction Document or Bond Documents; and entry into the Transaction Documents would not result in Event of Default; and

(e) all consents, approvals, authorisations or other orders of all regulatory authorities required for or in connection with the execution by the Issuer of the Transaction Documents and the Bond Documents and the due performance by the Issuer of its obligations under such documents, the issue and offering by the Issuer of the Guaranteed Bonds and the due performance by the Issuer of its obligations thereunder have been obtained and are in full force and effect.

5. ISSUER'S COVENANTS

5.1 The Issuer agrees to comply with all provisions of the Bond Conditions.

5.2 The Issuer shall promptly, upon request, provide in its best efforts the Bondholders' Representative with any such documents, information that the Bondholders'

Representative deems necessary (acting reasonably), save for the minutes of meetings of the board of directors and shareholders of the Issuer and the Issuer's client's confidential information, for the purpose of exercising its and the Bondholders' and Guarantor's rights and/or carrying out its duties under the Transaction Documents.

5.3 The Issuer shall cooperate with and give all reasonable support to the Bondholders' Representative in providing any the following relevant document or information as reasonably requested by the Bondholders' Representative so as to enable the Bondholders' Representative to perform its duties under the Transaction Documents.

5.3.1. Financial Reports

(a) The Issuer shall prepare annual audited financial report in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than 90 (ninety) Calendar Days after the end of the financial year or at any appropriate date determined by the Director General of the **SERC**.

(b) The Issuer shall prepare quarterly financial report reviewed by an SERC-accredited auditor in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than 45 (forty-five) Calendar Days after the end of the relevant quarterly period or at any appropriate date determined by the Director General of the **SERC.**

5.3.2. Requirements as to Financial Reports

(a) The Issuer shall supply to the Bondholders' Representative, in connection with the publication of its Quarterly Financial Report pursuant *to* ***Clause 5.3.1(b)*** *(Financial Reports)*.

(b) The Issuer shall procure that the financial reports delivered pursuant ***to Clause 5.3.1*** *(Financial Reports)* are prepared using CIFRS according to the NBC regulations.

5.3.3. Information: Miscellaneous

The Issuer shall:

(a) provide to the Bondholders' Representative the quarterly report related to the prudential ratios as set out under the Bond Conditions of the Guaranteed Bond and other prudential ratios, upon the request of the Bondholders' Representative which the Bondholders' Representative deemed to be necessary;

(b) immediately inform the Bondholders' Representative in case any asset with value exceeding $1,000,000 is pledged, disposed of, seized, declared illegal by relevant authorities,;

(c) promptly inform the Bondholder Representative in writing of any Event of Default or any event or circumstance which the Issuer understands or could reasonably be expected to understand may lead to an Event of Default and the steps, if any, being taken to remedy it;

(d) send the Bondholder Representative copies of any statutory notifications of the Issuer, including but not limited to in connection with mergers, de-mergers and reduction of the Issuer's share capital or equity;

(e) if the Guaranteed Bonds are listed on the CSX, send a copy to the Bondholder Representative of its notices to the CSX;

(f) inform the Bondholder Representative of changes in the registration of the Guaranteed Bonds in the CSD so that the Bondholders' Representative can promptly send and/or inform the Bondholders and the Guarantor the same;

(g) if the Issuer and/or the Bonds are rated, inform the Bondholder Representative of its and/or the rating of the Bonds, and any changes to such ratings; and

(h) Provide to the Bondholders' Representative the interest payment report at each date of interest payment and/or principal repayment at maturity date to the Bondholders within 03 (Three) Working Days after the Paying Agent paid to each Bondholder's account.

6. REMUNERATION OF THE BONDHOLDERS' REPRESENTATIVE

6.1 The Issuer shall pay to the Bondholders' Representative the following remunerations:

(a) Annual fee at 0.0175% over the Outstanding Amount of the Guaranteed Bonds issued by Issuer under the Bond Conditions; provided that, when combined with the percentage fee calculated under the Bondholder Representative Agreement in respect of the Sustainability Bonds, the total aggregate annual fee paid across both agreements shall be subject to a minimum of USD 5,000 (Five Thousand U.S. Dollars).

(b) Additional fees:

- Bondholders' meeting upon agreed actual cost incurred;
- Litigation upon Event of Default by the Issuer the actual cost incurred by the Bondholder.

The Issuer shall pay to the Bondholders' Representative annual fee for acting as Bondholders' Representative (the **Bondholders' Representative Fee**) calculated from the Issue Date until the termination of the appointment of the Bondholders' Representative has become effective. The Bondholders' Representative annual fee shall be payable to the Bondholders' Representative within 15 (fifteen) Working Days after the date that the Issuer receives the invoice and thereafter annually within 15 (fifteen) Working Days after the date that the Issuer receives the invoice from Bondholders' Representative. If any payment date would otherwise fall on a day which is not a Working Day, the relevant amount of the Bondholders' Representative Fee shall be paid to the Bondholders' Representative on the next day which is a Working Day.

6.2 If the Issuer requests the Bondholders' Representative to perform or do any acts beyond the scope of the ordinary powers, duties and responsibilities of the Bondholders' Representative as set forth in this Agreement and/or the Bond Conditions and/or Transaction Documents, the Bondholders' Representative shall not be obliged to perform or do such acts. However, if the Bondholders' Representative, at its sole discretion, determines to perform or do any such acts at the requests of the Issuer, then the Issuer agrees to pay additional remuneration to the Bondholders' Representative in the actual amount and under terms of payment as mutually agreed in writing.

6.3 The Bondholders' Representative may incur reasonable Expense in order to perform its duties in accordance with this Agreement, the Bond Conditions and/or Transaction Documents and/or the Applicable Law and the Issuer agrees to refund to the Bondholders' Representative, within 15 (fifteen) Working Days of the date of receipt of a notice thereof and the relevant supporting documents relating to such Expense from the Bondholders' Representative, any such Expense and agrees to pay all Expenses, all applicable taxes including but not limited to actual damages incurred by the

Bondholders' Representative in performing its duties under this Agreement and the Bond Conditions and/or Transaction Documents.

6.4 All sums payable by the Issuer under this Agreement that have not been paid by the Issuer within 30 (thirty) calendar days following the due date specified in Clause 6.1 and 6.3 of this Agreement, shall carry interest at a rate equal to 8% (eight percent) per annum, (i) in respect of the Bondholders' Representative Fee, from the date of the sum being due and payable, and (ii) in respect of all other sums including the Expenses, from the due date for payment of such sum. In any case where interest falls to be paid in respect of a period of less than a full year, the amount thereof shall be calculated on the basis of a year of 365 (three hundred and sixty five) Calendar Days, and in the case of an incomplete month, the number of days elapsed.

6.5 Notwithstanding any provision to the contrary in the Transaction Documents, any payment made by the Issuer pursuant to the Transaction Documents shall be distributed in accordance with the priority of payments set out in the Bond Conditions.

7. INDEMNIFICATION OF BONDHOLDERS' REPRESENTATIVE

7.1 The Issuer shall indemnify and hold harmless the Bondholders' Representative and its officers, directors, employees and agents in respect of all liabilities and expenses actually and reasonably incurred by it or by any such person in the execution of any duties, powers or authorities under this Agreement including the Expenses and against all actions, proceedings, costs, claims and demands in respect of any matter conducted or omitted in any way relating to this Agreement except to the extent the liabilities, expenses, actions, proceedings, costs, claims or demands were due to the negligence, fraud or wilful misconduct, or bad faith of the Bondholders' Representative.

7.2 The Bondholders' Representative shall indemnify and hold harmless the Issuer and its agents, managers, officers, directors, employees, managers or agents against any liability, loss, cost, damages, charge, expense, action, proceedings, claim or demand which are incurred to any of them as a result of any wilful misconduct, fraud or negligence or any breach of the terms and conditions of the Transaction Documents and Applicable Law by the Bondholders' Representative or by any of its officers, directors, employees and agents.

7.3 Notwithstanding any provision of this Agreement or any other Transaction Document to the contrary, both Parties shall not be liable to any person for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to loss of profits), whether or not foreseeable.

7.4 The Issuer has the right to claim compensation from the Bondholders' Representative in the event that the Bondholders' Representative or agent, management, or employee of Bondholders' Representative causes any damages. This claim includes liabilities, losses, costs, damages, costs of legal action or proceedings, claims, returns, taxes, penalties or other actual costs that may be incurred in connection with the above damages, except this damage occurs without any fault in relation to the performance of the obligations of the Bondholders' Representative or agent, management, or employee of Bondholders' Representative.

7.5 Notwithstanding anything to the contrary in this Agreement, in no event shall the Bondholders' Representative be liable for any failure or delay in the performance of its obligations hereunder if it is prevented from so performing its obligations by any future law or regulation (including, for the avoidance of doubt, any change in, or change in interpretation in relation to any law or regulation in existence at the date hereof which occurs subsequent to the date hereof which restricts or prohibits the providing of the services contemplated by this Agreement), any existing or future act of governmental

authority, or because of the following circumstances beyond the Bondholders' Representative's control acts of God, flood, war, terrorism, riot, embargo, any change in laws, ordinance, regulations or the like after the Issue Date which restrict or prohibit the providing of the services contemplated by this document, or interruption of public communications facilities or disruptions of any banking system. For avoidance of doubt, the incidents which will excuse the Bondholders' Representative from being liable under this Clause shall only be those which are beyond the Bondholders' Representative's reasonable control when having used all relevant preventive measures and applied professional solutions as may be expected from a professional Bondholders' Representative.

7.6 Unless otherwise provided by the Applicable Law, the SERC's notifications or the Bond Conditions, nothing contained in any Transaction Document shall require the Bondholders' Representative (acting in good faith in accordance with its professional judgment and without gross negligence, fraud, wilful misconduct or breach of the Transaction Documents or the Applicable Law):

(a) to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or the exercise of any right, power, authority and discretion hereunder if it shall have reasonable grounds for believing that the repayment of such funds or satisfactory indemnity against or security for such risk or liability is not assured to it; and

(b) to do anything which would or might in its opinion be contrary to the Applicable Law which would or might render it liable to any person.

7.7 The Bondholders' Representative shall indemnify and hold harmless the Bondholders and the Guarantor from and against any loss, cost, damage, liability, charge, expense, claim or demand (including, without limitation, legal fees and all costs and expenses incurred in disputing, investigating or determining any of the foregoing on a full indemnity basis) suffered or incurred by the Bondholders or the Guarantor arising out of or in connection with any negligence, wilful misconduct, or breach of the terms and conditions of any Transaction Document, this Agreement or any Applicable Law by the Bondholders' Representative or any of its officers, directors, employees, managers or agents.

7.8 The provisions of this Clause 7 shall survive the termination of this Agreement or the resignation or removal of the Bondholders' Representative.

8. AMENDMENT OF THE AGREEMENT

8.1. Subject to the Transaction Documents and Applicable Laws, any amendment of the terms and conditions of this Agreement shall be agreed by the Issuer, Bondholders' Representative, and the Guarantor in writing signed by authorized signatories of the parties hereto. Any amendment or modification of this Agreement may only be made if the Bondholders' Representative receives written approval from Bondholders holding at least 100% (one hundred percent) of the value of the Bonds and the Guarantor.

8.2 Should there be any amendment made to the Bond Conditions and/or Transaction Documents, laws, rules, notifications, regulations, order of the SERC, the SERC or any other government authority which shall have a material effect on any provisions of this Agreement, the Parties hereto shall mutually participate in amending such terms and conditions under this Agreement to be in compliance with the amended Bond Conditions and/or Transaction Documents, laws, rules, notifications, regulations or orders; provided that in such case the Issuer will not be charged for additional fee as mentioned in Clause 6.1(b).

9. CONFIDENTIALITY

All information disclosed by either Party under or in connection with this Agreement shall be treated by the receiving Party as confidential. These confidentiality undertakings shall remain in effect for a term of two (2) years as from the termination date of this Agreement.

Each Party, undertakes for to maintain all information of the other Party as confidential information and not disclose the information to any other person, except:

(a) as may be required by the Applicable Law or any judicial, governmental or competent supervisory or regulatory body, provided that, the disclosing Party shall, to the extent reasonably practicable and legally permitted to do so, inform the other Party of the full circumstances of such disclosure; and

(b) to its respective officers, employees, advisers, agents and representatives (including officers, employees, advisors, agents and representatives of any of its affiliates), auditors, or advisors, who, in any such case, have a justifiable need to know such information and who are made aware of, and agree to be bound by the confidentiality obligations under this paragraph prior to such information being disclosed to them; and

(c) to Bondholders and Guarantor, including their respective officers, employees, advisors, agents and representatives, auditors, or advisors, who, in any such case, have a justifiable need to know such information and who are made aware of, and agree to be bound by the confidentiality obligations under this paragraph prior to such information being disclosed to them.

10. DEFAULT

Subject to Clause 12 (Obligation of Bondholders' Representative After Termination of Agreement) of this Agreement, if any Party fails to comply with any provision of this Agreement and/or the Bond Conditions or Transaction Documents or is in breach of this Agreement and/or the Bond Conditions or Transaction Documents, it shall be deemed that such Party is in default and the other Party shall be entitled to terminate this Agreement, upon obtaining prior written consent from the Guarantor, without prejudice to its rights or remedies under the Applicable Law to claim against the Party in default for any losses or compensation resulting from its failure to comply with this Agreement and/or the Bond Conditions or Transaction Documents.

11. TERMINATION

In addition to the right to terminate this Agreement by a non-defaulting Party under Clause 10 (Default) and subject to Clause 12 (Obligation of Bondholders' Representative After Termination of Agreement), this Agreement can also be terminated upon the occurrence of the following events:

(a) all amounts owed in connection with the Guaranteed Bonds have been paid in full;

(b) either Party gives not less than 3 (three) months' prior written notice of termination to the other Party;

(c) a Bondholders' meeting resolves to revoke the appointment of the Bondholders' Representative in accordance with the Bond Conditions; or

(d) any proceeding or other action is commenced against the Bondholders' Representative, seeking reorganisation, receivership, liquidation, dissolution, winding-up, composition and other similar events, or other is any order or judgement for dissolution or suspension of business by the court.

12. OBLIGATION OF BONDHOLDERS REPRESENATIVE AFTER TERMINATION OF AGREEMENT

12.1 Any termination of the appointment of the Bondholders' Representative under this Agreement, except the termination under Clause 11 (Termination) (a), will not be effective until a successor is appointed with a prior written consent of the Bondholders and Guarantor. This successor shall be a registered and licensed entity pursuant the Applicable Law to legally perform the activities as Bondholders' Representative. The Bondholders' Representative shall assist the Issuer to nominate a successor Bondholders' Representative. Subject to the Bond Conditions, if any of the Bondholders' Representatives nominated by the Bondholders' Representative, upon obtaining prior written consent from the Bondholders and Guarantor has not been selected within 3 (three) months from the date of termination notice, it shall be deemed that the last Bondholders' Representative nominated by the Bondholders' Representative (with the prior written consent of Bondholders and Guarantor is appointed as the successor Bondholders' Representative, and this Agreement shall terminate when the appointment of the such Bondholders' Representative is effective.

12.2 Upon termination of the Agreement or unless otherwise directed by the Issuer, the Bondholders' Representative will cease using information and documents provided by the Issuer and/or the Bondholders and/or the Guarantor (**Documents**) and return or destroy at the Issuer's direction all copies of the Documents. The Bondholders' Representative shall delete all copies of the Documents residing in memory on any computer at the Bondholders' Representative's site. The Bondholders' Representative will, within 30 (thirty) days from the effective date of the termination, certify in writing that all copies of the Documents have been returned, deleted or destroyed as directed by the Issuer.

12.3 The provision of Clause 6 (Remuneration of The Bondholders' Representative) , Clause 7 (Indemnification of Bondholders' Representative), Clause 9 (Confidentiality), Clause 11(d), Clause 12 (Obligation of Bondholders' Representative After Termination of Agreement), Clause 17 (Notices), Clause 18 (Others) and Clause 20 (Governing Law) shall survive such expiration or termination and remain in full force and effect. If this Agreement expires or terminates pursuant to this Agreement, this Agreement shall be of no further effect and no Party shall be under any liability to any other in respect of this Agreement except for (i) any liability arising before or in relation to such expiration or termination of this Agreement and (ii) the liability of a Party under the provisions which shall survive the termination of this Agreement.

13. ASSIGNMENTS

13.1 Other than as permitted by the Transaction Documents and agreed in writing by the Guarantor, none of the Parties may assign, transfer or charge any of its rights and benefits in or under this Agreement.

13.2 This Agreement and all terms and conditions thereof are binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.

13.3 The Parties agree that they will cooperate fully to do all further acts and things and execute any further documents as may be necessary or desirable to give full effect to the arrangements contemplated by this Agreement.

14. WAIVER

No single or partial exercise of, or failure or delay in exercising, any right under this Agreement shall constitute a waiver or preclude any other or further exercise of that or any other right.

15. PARTIAL INVALIDITY

Without prejudice to any other provision hereof, if one or more provisions hereof is or becomes invalid, illegal or unenforceable in any respect under the Applicable Law or with respect to any Party such invalidity, illegality or unenforceability in such jurisdiction or with respect to such Party or Parties shall not, to the fullest extent permitted by Applicable Law, render invalid, illegal or unenforceable the remaining provision or provisions under the Applicable Law or with respect to any other Party or Parties hereto.

16. CONFLICT

If any of the provisions of this Agreement are in conflict with those of the Applicable Law, the provisions of such law and regulations shall prevail.

If any of the provisions of this Agreement are in conflict with the Bond Conditions and/or Guarantee Agreement, the Bond Conditions and the Guarantee Agreement (as the case may be) shall prevail.

17. NOTICES

All correspondence and notices between the Bondholders' Representative and the Issuer shall be made in writing and validly given by registered mail or by hand to the other Party at the following addresses or (any address in case of change of address) which is notified in writing to the other Party by not less than 7 (seven) Working Days in advance).

(a) if to Bondholders' Representative:

Canadia Securities Co., Ltd.

Address: Canadia Tower, 15th Floor Preah Monivong Blvd, Sangkat Wat Phnom, Khan Daun Penh, Phnom Penh, Cambodia

Email: thai.nha@canadiabank.com.kh

Attention to: Mr. Thai Nha

Position: Chief Executive Officer

(b) if to the Issuer:

LOLC (Cambodia) Plc.

Address: No. 666B, Street No. 271, Kbal Tumnub 1 Village, Sangkat Boeng Tumpun 2, Khan Mean Chey, Phnom Penh, Cambodia

Email: sokvoeun@lolc.com.kh

Attention to: Mr. Sok Voeun

Position: Chief Executive Officer

Any correspondence and notices shall be deemed to be duly received by the addressee, in case of email, when the sender's email has generated a confirmed delivery report, in the case of personal delivery, at the time of delivery, and, in the case of postage prepaid registered mail, on the 7th (seventh) Working Days after it was registered for mail.

18. OTHERS

18.1 The Issuer shall be responsible for reasonable and actual costs and expenses in relation to preparation, negotiation and appointment of the Bondholders' Representative.

18.2 The payment of the Bondholders' Representative Fee shall be made pursuant to the Applicable Law. Both Parties shall be obligated to pay their respective taxes and duties arising out or in connection with this Agreement in accordance with the Applicable Law.

18.3 This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

18.4 Provided that this Agreement confers certain rights and benefits to the Guarantor, the Guarantor may declare its intention to accept any and all rights and benefits under this Agreement by providing a written notice of such declaration to the Issuer and the Bondholders' Representative in a form to be determined by the Guarantor.

18.5 Each Party shall promptly execute and deliver such further documents, instruments, and assurances, and take such further actions, as may be required by the Applicable Law, to give full effect to, preserve the validity and enforceability of, and carry out the intent and purposes of this Agreement and the transactions contemplated herein.

19. LANGUAGE

19.1 This agreement shall be in Khmer and English but in case of discrepancy the English version shall prevail.

19.2 All notices and communications to be made between in relation to this Agreement shall be made in Khmer language, unless as otherwise required under the Applicable Law or any other agreement, in which case an English translation thereof shall be provided to each other Party.

20. GOVERNING LAW

20.1 This Agreement and its terms and conditions shall be governed by and construed in accordance with the laws of Cambodia. To the extent of discrepancy or inconsistency between any provision of these terms and conditions and any laws or notifications applicable to this Agreement, the provisions of such laws or notifications applicable to this Agreement shall supersede only the parts of these terms and conditions which give rise to such discrepancy or inconsistency.

22.2 Any dispute arising out of or in connection with these Agreement, including any question regarding its existence, validity, performance or termination, shall be referred to and finally resolved by arbitration administered by the National Commercial Arbitration Centre of the Kingdom of Cambodia in accordance with the Arbitration Rules of the National Commercial Arbitration Centre ("NCAC Arbitration Rules") being in force at the time of commencement of arbitration, and by reference in this clause, the NCAC Arbitration Rules are deemed to be incorporated as part of these Conditions. The Tribunal shall consist of 3 (three) arbitrators. One arbitrator shall be appointed by the Issuer, one arbitrator shall be appointed by the Bondholders' Representative (acting on behalf of the Bondholders), and the third arbitrator, who shall act as the Presiding Arbitrator of the Tribunal, shall be appointed by the two party-appointed arbitrators. If the two party-appointed arbitrators fail to agree upon the third arbitrator within 30 days of the appointment of the second arbitrator, the third arbitrator shall be appointed by the President of the NCAC. The language of the arbitration shall be English.

21. EFFECTIVE DATE

This Agreement shall be effective from the Issue Date.

(THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

IN WITNESS WHEREOF, the Parties hereto have signed and stamped as the above written terms and conditions.

THE ISSUER	**THE BONDHOLDERS' REPRESENTATIVE**
SIGNED for and on behalf of	SIGNED for and on behalf of
LOLC (Cambodia) Plc.	**Canadia Securities Co., Ltd.**
By: _____	By: _____
Mr. Sok Voeun	Mr. Thai Nha
Position: Chief Executive Officer	Position: Chief Executive Officer
WITNESS	**WITNESS**
By: _____	By: _____
Mr. Sok Sophal	Mr. Hou Sokchea
Position: Deputy Chief Executive Officer /Chief Financial Officer	Position: Senior Legal Officer

BONDHOLDERS' REPRESENTATIVE AGREEMENT IN RESPECT OF SUSTAINABILITY BONDS

DATED 5 August 2026

BETWEEN

Canadia Securities Co., Ltd.
As Bondholders' Representative

AND

LOLC (Cambodia) Plc.
As Issuer

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THIS BONDHOLDERS' REPRESENTATIVE AGREEMENT IN RESPECT OF SUSTAINABILITY BONDS (Agreement) is made on 5..August..2026

BETWEEN:

(1) **Canadia Securities Co., Ltd.**, a Company incorporated under the laws of the Kingdom of Cambodia accredited by SERC dated 21 July 2022 as Bondholders' Representative, whose its head office is at Canadia Tower, 15th Floor, Preah Monivong Blvd, Sangkat Wat Phnom, Khan Daun Penh, Phnom Penh, Kingdom of Cambodia (hereinafter referred to as the **Bondholders' Representative**);

and

(2) **LOLC (Cambodia) Plc.**, a public limited liability Company incorporated under the laws of the Kingdom of Cambodia, having company registration 00012829 dated 28 September 2015 and license from National Bank of Cambodia No. M.F 04, dated 07 December 2023 whose office is at #666B, St 271, Sangkat Boeng Tumpun 2, Khan Mean Chey, Phnom Penh, Kingdom of Cambodia (hereinafter referred to as the **Issuer**).

In this Agreement, the Bondholders' Representative and the Issuer are each referred to individually as a **"Party"** and collectively as the **"Parties"**.

WHEREAS:

(A) The Issuer is approved by the SERC to offer Sustainability Bonds as defined in the Bond Conditions (hereinafter referred to as the "**Sustainability Bonds**").

(B) The Bondholders' Representative has all qualifications required by the Applicable Law in order to act as Bondholders' Representative for the Sustainability Bonds and approved by the SERC in respect thereof.

(C) The Bondholders' Representative agrees to perform its duties as Bondholders' Representative in order to protect the benefit of all Bondholders in respect of the Sustainability Bonds, in accordance with the Applicable Law, the Bond Conditions and this Agreement.

(D) The Issuer wishes to appoint **Canadia Securities Co., Ltd.** to act as the Bondholders' Representative in relation to the Sustainability Bonds and **Canadia Securities Co., Ltd.** wishes to accept the appointment of the Bondholders' Representative in accordance with the Bond Conditions (as defined below) and the terms and conditions of this Agreement.

IT IS AGREED as follows:

1. DEFINITION

In this Agreement (including the recital above), capitalised terms used but not defined herein shall have the same meaning as defined in the Bond Conditions (defined below), unless the context requires otherwise, and in addition to such terms.

"**Applicable Law**" means all relevant laws or rules, regulations, notices, orders of any governmental or regulatory authority that are applicable in Cambodia, and enforceable against a Party, as may be issued and amended from time to time.

"Bond Conditions" means the terms and conditions setting out the rights and obligations of the Issuer and the Bondholders in respect of the Sustainability Bonds.

"Bond Documents" means, in respect of the Sustainability Bonds

(a) the Disclosure Document;

(b) the Bond Conditions;

(c) the Bondholders' Representative Agreement;

(d) the Registrar, Transfer and Paying Agent Agreement;

(e) the Lead Manager Agreement;

(f) any subscription form in respect of a Sustainability Bond; and

(g) any other supplemental agreement, prospectus or deed entered into between, amongst others, the Issuer and the Bondholders' Representative setting out the final terms of the Sustainability Bonds

"Bondholder(s)" means, with respect to each of the Sustainability Bonds, the person(s) who owns the Sustainability Bond(s) in accordance with the Bond Conditions.

"Bondholders' Book" means the book of Bondholders, recording particulars of the Bondholders or other sources of registration information relating to the transfer, pledge, attachment, and other matters related to the Sustainability Bonds in respect of the Bond Documents and the Applicable Law.

"Bondholders' Representative" means **Canadia Securities Co., Ltd.** acting as representative of the Bondholders in respect of the Sustainability Bonds, or any successor appointed as the Bondholders' Representative in respect of the Sustainability Bonds from time to time in accordance with the Bond Conditions and this Agreement.

"Calendar Day" means a 24-hour day from midnight to midnight denoted on a calendar.

"CIFRS" means Cambodian International Financial Reporting Standard.

"CSD" means Cambodia Securities Depository.

"CSX" means Cambodia Securities Exchange.

"Event of Default" means any of the Events of Default provided in the Bond Conditions.

"Expense" means any cost, out-of-pocket expense, disbursement, fees including legal fee and professional fee (other than the Bondholders' Representative Fee as defined in Clause 7.1 under (b)) or any other money incurred or payable by the Bondholders' Representative or incurred in connection with the Sustainability Bonds under this Agreement and/or the Bond Conditions including expenses relating to transportation, meeting of Bondholders, implementation or enforcement of this Agreement and the Bond Conditions and/or Transaction Document in respect of the Sustainability Bonds.

"Issue Date" means the date on which the Issuer issues the Sustainability Bonds under the Bond Conditions.

"Issuer" means LOLC (Cambodia) Plc.

"Lead Manager Agreement" means the lead manager agreement to be entered into between the Underwriter and the Issuer for the Underwriter to act as the lead manager for the offering and sales of the Bonds on a best effort basis.

"Meeting Rules" means the rules of Bondholders' meeting provided in the Bond Conditions.

"Non-Payment Event" has the meaning given to it in the Bond Conditions.

"Paying Agent" means **ACLEDA Bank Plc.**, as appointed under the RTP Agreement or any successor or replacement entity thereto.

"Resolution(s)" means any resolution(s) passed by the Bondholders at a Bondholders' meeting in accordance with the Bond Conditions.

"Registrar, Transfer Agent and Paying Agent Agreement" means the Agreement on Providing Services of Securities Registrar, Securities Transfer Agent and Paying Agent dated on 29 May 2026 and entered into between the Issuer and **ACLEDA BANK PLC.** in connection with the issue of Sustainability Bonds.

"Securities Registrar" means **ACLEDA BANK PLC.**, as appointed under the Registrar, Transfer Agent and Paying Agent Agreement or any successor or replacement entity thereto.

"Securities Transfer Agent" means **ACLEDA BANK PLC.**, as appointed under the Registrar, Transfer Agent and Paying Agent Agreement or any successor or replacement entity thereto.

"SERC" means the Securities and Exchange Regulator of Cambodia.

"Transaction Documents" means, in respect of the Sustainability Bonds:

(i) the Bond Conditions;

(ii) this Agreement; and

(iii) any other documents designated as such by the Issuer and the Bondholders' Representative from time to time.

"Underwriter" means Yuanta Securities (Cambodia) Plc., a public limited company incorporated under the laws of Cambodia, having a commercial registration No. 00014552 and a registered address at 4th Fl, Emerald Building, No. 64 (corner St. 178), Norodom Blvd., Phnom Penh, Cambodia.

"Working Day" means the day (other than a Saturday, Sunday and public holidays) on which banks are generally open for business in Cambodia.

2. APPOINTMENT OF BONDHOLDERS RESPRESENTATIVE

2.1 The Issuer hereby appoints **Canadia Securities Co., Ltd.** as the Bondholders' Representative and **Canadia Securities Co., Ltd.** accepts such appointment and agrees to act as such for and on behalf of the Bondholders in accordance with the Transaction Documents and the Applicable Law.

2.2 The Bondholders' Representative agrees:

(a) to perform and to comply with all duties and obligations of the Bondholders' Representative as set out in the Transaction Documents and the Applicable Law according to generally recognised professional standards; and

(b) to have and to exercise all rights and powers of the Bondholders' Representative as set out in the Transaction Documents (including without limitation, all powers, duties and responsibilities set out in the Bond Conditions and Clause 3 (Powers, Duties and Authority of the Bondholders' Representative) of this Agreement and the Applicable Law);

(c) to accept the money for and on behalf of the Bondholders in respect of the Sustainability Bonds.

3. POWERS, DUTIES AND AUTHORITY OF THE BONDHOLDERS' REPRESENTATIVE

3.1 Power to represent the Bondholders

(a) The Bondholders' Representative has power and authority to act on behalf of, and/or represent, the Bondholders in all matters, including but not limited to taking any legal or other action, including enforcement of the Bond Conditions,

and the commencement of bankruptcy or other insolvency proceedings against the Issuer, or others in connection with the Transaction Documents.

(b) Any action taken by the Bondholders' Representatives in accordance with this Agreement is deemed to be ratified by the Bondholders as correct and legally binding upon and done in the name of the Bondholders.

3.2 The duties and authorities of the Bondholders' Representative

It is agreed that, in addition to the powers to represent the Bondholders as set forth above, the Bondholders' Representative shall have duties and authority as follows:

(a) Appointment of Advisors:

With prior written consent from the Issuer, the Bondholders' Representative may appoint advisors including legal counsel (and the reasonable fees and charges owed to such advisors shall be for the account of the Issuer) in respect of:

(1) the compliance and/or the enforcement of any provisions of the Transaction Documents;

(2) any actual or proposed amendment, waiver or consent requested by the Issuer relating to the Transaction Documents;

(3) any Event of Default or breach by the Issuer or any dispute that may arise in connection with Transaction Documents; or

(4) the performance by the Bondholders' Representative of any obligations of the Issuer under the Transaction Documents which the Issuer has failed or refused to perform.

(b) Performance:

(1) The Bondholders' Representative shall, promptly and in any event no later than 05 (five) Working Days upon the occurrence of any Event of Default, notify each Bondholder of the occurrence of any Event of Default or breach of, or default under the Bond Conditions which occurrence has actually been notified by the Issuer or comes to the attention of the Bondholders' Representative including the actions taken by the Bondholders' Representative due to such occurrence;

(2) In the event of the Issuer defaults in making a payment under any Sustainability Bonds to any Bondholders, if otherwise not apparent or clearly proven to the contrary, it shall be presumed that such defaults in payment have occurred to all the Sustainability Bonds;

(3) If any Event of Default occurs and is continuing, the Bondholders' Representative shall take action in accordance with Clause 13 of the Bond Conditions.

(4) The Bondholders' Representative shall arrange meetings in accordance with the Bondholders' Meeting's Rules provided in the Bond Conditions with the Bondholders, and shall perform any other duties in accordance with the Transaction Documents;

(5) The Bondholders' Representative shall act as liaison for all communications between the Issuer, the Bondholders, and Paying Agents, which are necessary for the transactions contemplated to be carried out under Transaction Documents;

(6) Subject to Clause 3 of this Agreement, the Bondholders' Representative shall distribute to each Bondholder pro rata according to that Bondholder's holding percentage of the Sustainability Bonds, the proceeds derived from the result of claims made against the Issuer, the enforcement of the right of the Bondholders under Transaction Documents ("**Proceeds**"). The Bondholders' Representative shall also keep record of steps taken to collect and distribute the Proceeds including related expenses incurred;

(7) The Bondholders' Representative shall comply with all laws and regulations applicable to the Bondholders' Representative in such capacity including the Prakas on Accreditation of Bondholders' representative dated 17th August 2017 as may be amended and supplemented from time to time;

(8) The Bondholders' Representative shall exercise all rights under the Transaction Documents, including but not limited to demand for payment under the Sustainability Bonds against the Issuer on behalf of the Bondholders;

(9) The Bondholders' Representative shall keep adequate records of all steps taken by it to enforce any of the Transaction Documents and recover Proceeds or obtain other relief for the Bondholders;

(10) The Bondholders' Representative shall exercise the degree of honesty and care necessary to protect in the interests of the Bondholders as is usual and requisite for an entity acting as a professional Bondholders' Representative and to act at all time in good faith; and

(11) The Bondholders' Representative may act on the opinion or advice of any lawyer, accountant and other experts appointed or selected by the Bondholders' Representative or the Issuer in order to perform its duties and obligations under the Transaction Documents and shall not have any liability when acting (or refraining from acting) upon any advice by such persons (other than for its gross negligence or wilful misconduct).

(c) Event of Default

Except as otherwise provided in the Transaction Documents, for the avoidance of doubt, the Bondholders' Representative shall not be obliged to exercise any right or take any action in relation to an Event of Default or any event that may constitute an Event of Default unless it has actual knowledge of such Event of Default or such event that may constitute an Event of Default or it has the written directions from the Bondholders or directions in the form of a Resolution in accordance with the Bond Conditions.

(d) Reliance:

(1) Except as otherwise expressly provided in the Bond Conditions, the Bondholders' Representative shall be and is hereby authorised to assume without enquiry and it is hereby declared to be the intention that it shall assume without enquiry, in the absence of knowledge or express notice to the contrary, that the Issuer is duly performing and observing all the covenants and provisions contained in the Transaction Documents and that on the date hereof and on the Issue Date no Event of Default, and no event which, with the lapse of time and/or upon the giving of notice and/or the issuing of a certificate, would constitute an Event of Default, has occurred;

(2) The Bondholders' Representative may rely upon any written communication or document reasonably believed by it to be genuine and need not investigate any fact or matter stated in the Transaction Documents; and

(3) The Bondholders' Representative may rely upon any facts and materials provided to it in writing by any authorised persons representing the Issuer.

(e) Liabilities

(1) The Bondholders' Representative shall not be responsible for acting upon any resolution purporting to have been passed at any meeting of the Bondholders in accordance with the Bond Conditions even though it may subsequently be found that there was some defect in the constitution of such meeting or the passing of such resolution or that, for any reason, such resolution was not valid or binding upon the Bondholders (except where such defect was due to its gross negligence or wilful misconduct).

(2) The Bondholders' Representative shall not be liable to the Issuer or any Bondholder by reason of having accepted as valid or not having rejected any certificate of Sustainability Bond purporting to be such and subsequently found to be forged, stolen or not authentic (other than for its negligence or wilful misconduct).

(3) The Bondholders' Representative in performing its duties under the Bond Conditions:

(a) shall not have any responsibility or liability in respect of any failure or delay by the Issuer in performing its respective obligations hereunder or under the Bond Conditions or other agreements relating thereto and hereto; and

(b) shall not have any responsibility or liability in respect of the execution, effectiveness, enforceability, sufficiency, legality, validity or genuineness of the Bond Conditions, the agreements and documents referred to herein and therein, or of any certificate, report, document of title or other document delivered hereunder or thereunder, any statement of the Issuer herein or therein, or the accuracy or completeness of any information was or is circulated by the Bondholders' Representative.

(f) Paying Agent:

(1) At any time, the Bondholders' Representative and the Paying Agent shall cooperate with each other and deliver, upon the reasonable request of the Bondholders' Representative or the Paying Agent, all or any documents and/or information to each other to perform their respective duties and powers and authorities under the Transaction Documents and/or the Applicable Law.

(2) At any time after an Event of Default or if any event that may constitute an Event of Default has occurred, the Bondholders' Representative may notify the Paying Agent and require the Paying Agent to act as an agent of the Bondholders' Representative in relation to making payments under the Transaction Documents, on similar terms on which the Paying Agent makes payments for and on behalf of the Issuer in the Transaction Documents. In such circumstances, the parties shall make any amendments to the Transaction Documents as the Bondholders' Representative reasonably considers necessary in order to enable the Paying Agent to act as an agent of the Bondholders' Representative in relation to making payments under the Transaction Documents, on similar terms on which the Paying Agent makes payments for and on behalf of the Issuer in the Transaction Documents.

4. REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties by the Bondholders' Representative

The Bondholders' Representative represents and warrants to the Issuer that as at the date hereof and as of the Issue Date:

(a) it has been established and is in existence in accordance with the laws of the place of its incorporation, and has the full power and authority to execute and perform its duties and obligations hereunder;

(b) all actions, conditions and things required by the laws of the place of its incorporation and of Cambodia to be taken, fulfilled and done (including the obtaining of any necessary shareholder, corporate, governmental, ministerial or other consents, approvals and licences) in order to enable it to lawfully enter into, exercise its rights and perform and comply with its obligations under this Agreement or other Transaction Documents to which it is a party have been taken, fulfilled and done;

(c) its entry into, exercise of its rights and/or performance of or compliance with its obligations under the Transaction Documents to which it is a party do not and will not violate in any material way (i) any law to which it is subject or (ii) its memorandum of association, articles of association or other constitutive documents and any laws by which it is bound;

(d) its obligations under the Transaction Documents to which it is a party are legal, valid, binding and enforceable upon it in accordance with their respective terms; and

(e) it is not in liquidation or bankruptcy and has not taken any corporate action, nor have any other steps been taken or legal proceedings commenced against it, for its winding-up, bankruptcy, dissolution, reorganisation, composition or for the appointment of a receiver, liquidator, trustee, examiner or similar officer of it or of all or any of its assets or revenues.

4.2 Representations and Warranties by Issuer

The Issuer represents and warrants to the Bondholders' Representative as at the date hereof and as of the Issue Date:

(a) The Issuer has been established and is in existence in accordance with the laws of the place of its incorporation, and has been obtained the full permissions from relevant competent authorities to issue the Sustainability Bonds pursuant to the Applicable Laws and regulations of Cambodia;

(b) the creation of the Sustainability Bonds, the offering of the Sustainability Bonds, the execution of the Sustainability Bonds, the authentication of the Sustainability Bonds (where appropriate) and the issue, the entry into or the delivery by the Issuer of each Transaction Document and the performance of the obligations to be assumed thereunder by the Issuer have been duly authorised by all necessary action required by the Applicable Laws of Cambodia;

(c) the Sustainability Bonds, the Bond Documents and each Transaction Document, when executed, authenticated (where appropriate) and delivered as herein contemplated, will constitute legal, valid, binding and enforceable obligations of the Issuer, except to the extent that the enforcement thereof may be limited by provisions of Applicable Laws;

(d) there exists no Event of Default and no event that may constitute an Event of Default and the Issuer is not in breach or default under any Transaction Document or Bond Documents; and

(e) all consents, approvals, authorisations or other orders of all regulatory authorities required for or in connection with the execution by the Issuer of the Transaction Documents and the Bond Documents and the due performance by the Issuer of its obligations under such documents, the issue and offering by the Issuer of the Sustainability Bonds and the due performance by the Issuer of its obligations thereunder have been obtained and are in full force and effect.

5. ISSUER'S COVENANTS

5.1 The Issuer agrees to comply with all provisions of the Bond Conditions.

5.2 The Issuer shall promptly, upon request, provide in its best efforts the Bondholders' Representative with any such documents, information that the Bondholders' Representative deems necessary (acting reasonably) for the purpose of exercising its and the Bondholders' and/or carrying out its duties under the Transaction Documents.

5.3 The Issuer shall cooperate with and give all reasonable support to the Bondholders' Representative in providing any the following relevant document or information as reasonably requested by the Bondholders' Representative so as to enable the Bondholders' Representative to perform its duties under the Transaction Documents.

5.3.1. Financial Reports

(a) The Issuer shall prepare annual audited financial report in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than 90 (ninety) Calendar Days after the end of the financial year or at any appropriate date determined by the Director General of the **SERC**.

(b) The Issuer shall prepare quarterly financial report in the English language and make them available on its website (alternatively on another relevant information platform) as soon as they become available, and not later than 45 (forty-five) Calendar Days after the end of the relevant quarterly period or at any appropriate date determined by the Director General of the **SERC.**

5.3.2. Requirements as to Financial Reports

(a) The Issuer shall supply to the Bondholders' Representative, in connection with the publication of its quarterly financial report pursuant *to* ***Clause 5.3.1(b)*** *(Financial Reports)*.

(b) The Issuer shall procure that the financial reports delivered pursuant ***to Clause 5.3.1*** *(Financial Reports)* are prepared using CIFRS according to the NBC regulations.

5.3.3. Information: Miscellaneous

The Issuer shall:

(a) provide to the Bondholders' Representative the quarterly report related to the prudential ratios as set out under the Bond Conditions of the Bond;

(b) immediately inform the Bondholders' Representative in case of change of control, or any material asset is pledged, disposed of, seized, declared illegal by any relevant authority;

(c) promptly inform the Bondholder Representative in writing of any Event of Default or any event or circumstance which the Issuer understands or could reasonably be expected to understand may lead to an Event of Default and the steps, if any, being taken to remedy it;

(d) send the Bondholder Representative copies of any statutory notifications of the Issuer, including but not limited to in connection with mergers, de-mergers and reduction of the Issuer's share capital or equity;

(e) if the Sustainability Bonds are listed on the CSX, send a copy to the Bondholder Representative of its notices to the CSX;

(f) inform the Bondholder Representative of changes in the registration of the Sustainability Bonds in the CSD;

(g) if the Issuer and/or the Bonds are rated, inform the Bondholder Representative of its and/or the rating of the Bonds, and any changes to such ratings; and

(h) provide to the Bondholders' Representative the interest payment and/or principal repayment report at each date of interest payment and at maturity date to the Bondholders within 03 (Three) Business Days after the Paying Agent paid to each Bondholders' account.

6. REMUNERATION OF THE BONDHOLDERS' REPRESENTATIVE

6.1 The Issuer shall pay to the Bondholders' Representative the following remunerations:

(a) Annual fee at 0.0175% of the Outstanding Amount of the Sustainability Bonds issued by Issuer under the Bond Conditions; provided that, when combined with the percentage fee calculated under the Bondholder Representative Agreement in respect of the Guaranteed Bonds, the total aggregate annual fee paid across both agreements shall be subject to a minimum of USD 5,000 (Five Thousand U.S. Dollars).
For the avoidance of doubt, if the combined fee under both agreements is less than USD 5,000, the deficiency required to reach USD 5,000 shall be invoiced and paid under this Agreement.

(b) Additional fees:

- Bondholders' meeting upon agreed actual cost incurred;
- Litigation upon Event of Default by the Issuer the actual cost incurred by the Bondholder.

The Issuer shall pay to the Bondholders' Representative annual fee for acting as Bondholders' Representative (the **Bondholders' Representative Fee**) calculated from the Issue Date until the termination of the appointment of the Bondholders' Representative has become effective. The Bondholders' Representative annual fee shall be payable to the Bondholders' Representative within 15 (fifteen) Working Days after the date that the Issuer receives the invoice and thereafter annually within 15 (fifteen) Working Days after the date that the Issuer receives the invoice from Bondholders' Representative. If any payment date would otherwise fall on a day which is not a Working Day, the relevant amount of the Bondholders' Representative Fee shall be paid to the Bondholders' Representative on the next day which is a Working Day.

6.2 If the Issuer requests the Bondholders' Representative to perform or do any acts beyond the scope of the ordinary powers, duties and responsibilities of the Bondholders' Representative as set forth in this Agreement and/or the Bond Conditions and/or Transaction Documents, the Bondholders' Representative shall not be obliged to perform or do such acts. However, if the Bondholders' Representative, at its sole discretion, determines to perform or do any such acts at the requests of the Issuer, then the Issuer agrees to pay additional remuneration to the Bondholders' Representative in the actual amount and under terms of payment as mutually agreed in writing.

6.3 The Bondholders' Representative may incur reasonable Expense in order to perform its duties in accordance with this Agreement, the Bond Conditions and/or Transaction Documents and/or the Applicable Law and the Issuer agrees to refund to the Bondholders' Representative, within 15 (fifteen) Working Days of the date of receipt of a notice thereof and the relevant supporting documents relating to such Expense from the Bondholders' Representative, any such Expense and agrees to pay all Expenses, all applicable taxes including but not limited to actual damages incurred by the Bondholders' Representative in performing its duties under this Agreement and the Bond Conditions and/or Transaction Documents.

6.4 All sums payable by the Issuer under this Agreement that have not been paid by the Issuer within 30 (thirty) Calendar Days following the due date specified in Clause 6.1 and 6.3 of this Agreement, shall carry interest at a rate equal to 8% (eight percent) per annum, (i) in respect of the Bondholders' Representative Fee, from the date of the sum being due and payable, and (ii) in respect of all other sums including the Expenses, from the due date for payment of such sum. In any case where interest falls to be paid in respect of a period of less than a full year, the amount thereof shall be calculated on the basis of a year of 365 (three hundred and sixty five) days, and in the case of an incomplete month, the number of days elapsed.

6.5 Notwithstanding any provision to the contrary in the Transaction Documents, any payment made by the Issuer pursuant to the Transaction Documents shall be distributed in accordance with the priority of payments set out in the Bond Conditions.

7. INDEMNIFICATION OF BONDHOLDERS' REPRESENTATIVE

7.1 The Issuer shall indemnify and hold harmless the Bondholders' Representative and its officers, directors, employees and agents in respect of all liabilities and expenses actually and reasonably incurred by it or by any such person in the execution of any duties, powers or authorities under this Agreement including the Expenses and against all actions, proceedings, costs, claims and demands in respect of any matter conducted or omitted in any way relating to this Agreement except to the extent the liabilities, expenses, actions, proceedings, costs, claims or demands were due to the negligence, fraud or wilful misconduct, or bad faith of the Bondholders' Representative.

7.2 The Bondholders' Representative shall indemnify and hold harmless the Issuer and its agents, managers, officers, directors, employees, managers or agents against any liability, loss, cost, damages, charge, expense, action, proceedings, claim or demand which are incurred to any of them as a result of any wilful misconduct, fraud or negligence or any breach of the terms and conditions of the Transaction Documents and Applicable Law by the Bondholders' Representative or by any of its officers, directors, employees and agents.

7.3 Notwithstanding any provision of this Agreement or any other Transaction Document to the contrary, both Parties shall not be liable to any person for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including but not limited to loss of profits), whether or not foreseeable.

7.4 The Issuer has the right to claim compensation from the Bondholders' Representative in the event that the Bondholders' Representative or agent, management, or employee of Bondholders' Representative causes any damages. This claim includes liabilities, losses, costs, damages, costs of legal action or proceedings, claims, returns, taxes, penalties or other actual costs that may be incurred in connection with the above damages, except this damage occurs without any fault in relation to the performance of the obligations of the Bondholders' Representative or agent, management, or employee of Bondholders' Representative.

7.5 Notwithstanding anything to the contrary in this Agreement, in no event shall the Bondholders' Representative be liable for any failure or delay in the performance of its obligations hereunder if it is prevented from so performing its obligations by any future law or regulation (including, for the avoidance of doubt, any change in, or change in interpretation in relation to any law or regulation in existence at the date hereof which occurs subsequent to the date hereof which restricts or prohibits the providing of the services contemplated by this Agreement), any existing or future act of governmental authority, or because of the following circumstances beyond the Bondholders' Representative's control acts of God, flood, war, terrorism, riot, embargo, any change in laws, ordinance, regulations or the like after the Issue Date which restrict or prohibit the providing of the services contemplated by this document, or interruption of public communications facilities or disruptions of any banking system. For avoidance of doubt, the incidents which will excuse the Bondholders' Representative from being liable under this Clause shall only be those which are beyond the Bondholders' Representative's reasonable control when having used all relevant preventive measures and applied professional solutions as may be expected from a professional Bondholders' Representative.

7.6 Unless otherwise provided by the Applicable Law, the SERC's notifications or the Bond Conditions, nothing contained in any Transaction Document shall require the Bondholders' Representative (acting in good faith in accordance with its professional judgment and without gross negligence, fraud, wilful misconduct or breach of the Transaction Documents or the Applicable Law):

(a) to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or the exercise of any right, power, authority and discretion hereunder if it shall have reasonable grounds for believing that the repayment of such funds or satisfactory indemnity against or security for such risk or liability is not assured to it; and

(b) to do anything which would or might in its opinion be contrary to the Applicable Law which would or might render it liable to any person.

7.7 The Bondholders' Representative shall indemnify and hold harmless the Bondholders from and against any loss, cost, damage, liability, charge, expense, claim or demand (including, without limitation, legal fees and all costs and expenses incurred in disputing, investigating or determining any of the foregoing on a full indemnity basis) suffered or incurred by the Bondholders arising out of or in connection with any negligence, wilful misconduct, or breach of the terms and conditions of any Transaction Document or any Applicable Law and this Agreement by the Bondholders' Representative or any of its officers, directors, employees, managers or agents.

7.8 The provisions of this Clause 7 shall survive the termination of this Agreement or the resignation or removal of the Bondholders' Representative.

8. AMENDMENT OF THE AGREEMENT

8.1 Unless with prior written consent of Bondholders' Representative and the Bondholders of the Sustainability Bonds, Bondholders' Representative and the Bondholders of the Sustainability Bonds shall not:

(a) amend, modify, vary novate, replace, supplement, supersede, terminate, give any consent in relation to, or waive any breach of proposed breach of, any term of the Transaction Documents; or

(b) take, or omit to take, any action that would lessen or impair any right of the Bondholders' Representative or the Paying agent under any Transaction Documents

8.2 Subject to the Transaction Documents and Applicable Law, any amendment of the terms and conditions of this Agreement shall be mutually agreed in writing signed by authorised signatories of the Parties hereto.

8.3 Should there be any amendment made to the Bond Conditions and/or Transaction Documents, laws, rules, notifications, regulations, order of the SERC, the SERC or any other government authority which shall have a material effect on any provisions of this Agreement, the Parties hereto shall mutually participate in amending such terms and conditions under this Agreement to be in compliance with the amended Bond Conditions and/or Transaction Documents, laws, rules, notifications, regulations or orders; provided that in such case the Issuer will not be charged for additional fee as mentioned in Clause 6.1(b).

9. CONFIDENTIALITY

All information disclosed by either Party under or in connection with this Agreement shall be treated by the receiving Party as confidential. These confidentiality undertakings shall remain in effect for a term of two (2) years as from the termination date of this Agreement.

Each Party, undertakes for to maintain all information of the other Party as confidential information and not disclose the information to any other person, except:

(a) as may be required by the Applicable Law or any judicial, governmental or competent supervisory or regulatory body, provided that, the disclosing Party shall, to the extent reasonably practicable and legally permitted to do so, inform the other Party of the full circumstances of such disclosure; and

(b) to its respective officers, employees, advisers, agents and representatives (including officers, employees, advisors, agents and representatives of any of its affiliates), auditors, or advisors, who, in any such case, have a justifiable need to know such information and who are made aware of, and agree to be bound by the confidentiality obligations under this paragraph prior to such information being disclosed to them; and

(c) to Bondholders, including their respective officers, employees, advisors, agents and representatives, auditors, or advisors, who, in any such case, have a justifiable need to know such information and who are made aware of, and agree to be bound by the confidentiality obligations under this paragraph prior to such information being disclosed to them.

10. DEFAULT

Subject to Clause 12 (Obligation of Bondholders' Representative After Termination of Agreement) of this Agreement, if any Party fails to comply with any provision of this Agreement and/or the Bond Conditions or Transaction Documents or is in breach of this Agreement and/or the Bond Conditions or Transaction Documents, it shall be deemed that such Party is in default and the other Party shall be entitled to terminate this Agreement, without prejudice to its rights or remedies under the Applicable Law to claim against the Party in default for any losses or compensation resulting from its failure to comply with this Agreement and/or the Bond Conditions or Transaction Documents.

11. TERMINATION

In addition to the right to terminate this Agreement by a non-defaulting Party under Clause 10 (Default) and subject to Clause 12 (Obligation of Bondholders' Representative After

Termination of Agreement), this Agreement can also be terminated upon the occurrence of the following events:

(a) all amounts owed in connection with the Sustainability Bonds have been paid in full;

(b) either Party gives not less than 3 (three) months' prior written notice of termination to the other Party;

(c) a Bondholders' meeting resolves to revoke the appointment of the Bondholders' Representative in accordance with the Bond Conditions; or

(d) any proceeding or other action is commenced against the Bondholders' Representative, seeking reorganisation, receivership, liquidation, dissolution, winding-up, composition and other similar events, or other is any order or judgement for dissolution or suspension of business by the court.

12. OBLIGATION OF BONDHOLDERS REPRESENATIVE AFTER TERMINATION OF AGREEMENT

12.1 Any termination of the appointment of the Bondholders' Representative under this Agreement, except the termination under Clause 11 (Termination) (a), will not be effective until a successor is appointed with a prior written consent of the Bondholders. This successor shall be a registered and licensed entity pursuant the relevant the Applicable Law to legally perform the activities as Bondholders' Representative. The Bondholders' Representative shall assist the Issuer to nominate a successor Bondholders' Representative. Subject to the Bond Conditions, if any of the Bondholders' Representatives nominated by the Bondholders' Representative has not been selected within 3 (three) months from the date of termination notice, it shall be deemed that the last Bondholders' Representative nominated by the Bondholders' Representative is appointed as the successor Bondholders' Representative, and this Agreement shall terminate when the appointment of the such Bondholders' Representative is effective.

12.2 Upon termination of the Agreement or unless otherwise directed by the Issuer, the Bondholders' Representative will cease using information and documents provided by the Issuer and/or the Bondholders (**Documents**) and return or destroy at the Issuer's direction all copies of the Documents. The Bondholders' Representative shall delete all copies of the Documents residing in memory on any computer at the Bondholders' Representative's site. The Bondholders' Representative will, within 30 (thirty) days from the effective date of the termination, certify in writing that all copies of the Documents have been returned, deleted or destroyed as directed by the Issuer.

12.3 The provision of Clause 6 (Remuneration of The Bondholders' Representative), Clause 7 (Indemnification of Bondholders' Representative), Clause 9 (Confidentiality), Clause 12 (Obligation of Bondholders' Representative After Termination of Agreement), Clause 17 (Notices), Clause 18 (Others) and Clause 20 (Governing Law) shall survive such expiration or termination and remain in full force and effect. If this Agreement expires or terminates pursuant to this Agreement, this Agreement shall be of no further effect and no Party shall be under any liability to any other in respect of this Agreement except for (i) any liability arising before or in relation to such expiration or termination of this Agreement and (ii) the liability of a Party under the provisions which shall survive the termination of this Agreement.

13. ASSIGNMENTS

13.1 Other than as permitted by the Transaction Documents, none of the Parties may assign, transfer or charge any of its rights and benefits in or under this Agreement.

13.2 This Agreement and all terms and conditions thereof are binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns.

13.3 The Parties agree that they will cooperate fully to do all further acts and things and execute any further documents as may be necessary or desirable to give full effect to the arrangements contemplated by this Agreement.

14. WAIVER

No single or partial exercise of, or failure or delay in exercising, any right under this Agreement shall constitute a waiver or preclude any other or further exercise of that or any other right.

15. PARTIAL INVALIDITY

Without prejudice to any other provision hereof, if one or more provisions hereof is or becomes invalid, illegal or unenforceable in any respect under the Applicable Law or with respect to any Party such invalidity, illegality or unenforceability in such jurisdiction or with respect to such Party or Parties shall not, to the fullest extent permitted by Applicable Law, render invalid, illegal or unenforceable the remaining provision or provisions under the Applicable Law or with respect to any other Party or Parties hereto.

16. CONFLICT

If any of the provisions of this Agreement are in conflict with those of the Applicable Law, the provisions of such law and regulations shall prevail.

If any of the provisions of this Agreement are in conflict with the Bond Conditions, the Bond Conditions (as the case may be) shall prevail.

17. NOTICES

All correspondence and notices between the Bondholders' Representative and the Issuer shall be made in writing and validly given by registered mail or by hand to the other Party at the following addresses or (any address in case of change of address) which is notified in writing to the other Party by not less than 7 (seven) Working Days in advance.

(a) if to Bondholders' Representative:

Canadia Securities Co., Ltd.

Address: Canadia Tower, 15th Floor Preah Monivong Blvd, Sangkat Wat Phnom, Khan Daun Penh, Phnom Penh, Cambodia

Email: thai.nha@canadiabank.com.kh

Attention to: Mr. Thai Nha

Position: Chief Executive Officer

(b) if to the Issuer:

LOLC (Cambodia) Plc.

Address: No. 666B, Street No. 271, Kbal Tumnub 1 Village, Sangkat Boeng Tumpun 2, Khan Mean Chey, Phnom Penh, Cambodia

Email: sokvoeun@lolc.com.kh

Attention to: Mr. Sok Voeun

Position: Chief Executive Officer

Any correspondence and notices shall be deemed to be duly received by the addressee, in case of email, when the sender's email has generated a confirmed delivery report, in the

case of personal delivery, at the time of delivery, and, in the case of postage prepaid registered mail, on the 7th (seventh) Working Days after it was registered for mail.

18. OTHERS

18.1 The Issuer shall be responsible for reasonable and actual costs and expenses in relation to preparation, negotiation and appointment of the Bondholders' Representative.

18.2 The payment of the Bondholders' Representative Fee shall be made pursuant to the Applicable Law. Both Parties shall be obligated to pay their respective taxes and duties arising out or in connection with this Agreement in accordance with the Applicable Law.

18.3 This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

18.4 Each Party shall promptly execute and deliver such further documents, instruments, and assurances, and take such further actions, as may be required by the Applicable Law, to give full effect to, preserve the validity and enforceability of, and carry out the intent and purposes of this Agreement and the transactions contemplated herein.

19. LANGUAGE

19.1 This agreement shall be in Khmer and English but in case of discrepancy the English version shall prevail.

19.2 All notices and communications to be made between in relation to this Agreement shall be made in Khmer language, unless as otherwise required under the Applicable Law or any other agreement, in which case an English translation thereof shall be provided to each other Party.

20. GOVERNING LAW

20.1 This Agreement and its terms and conditions shall be governed by and construed in accordance with the laws of Cambodia. To the extent of discrepancy or inconsistency between any provision of these terms and conditions and any laws or notifications applicable to this Agreement, the provisions of such laws or notifications applicable to this Agreement shall supersede only the parts of these terms and conditions which give rise to such discrepancy or inconsistency.

22.2 Any dispute arising out of or in connection with these Agreement, including any question regarding its existence, validity, performance or termination, shall be referred to and finally resolved by arbitration administered by the National Commercial Arbitration Centre of the Kingdom of Cambodia in accordance with the Arbitration Rules of the National Commercial Arbitration Centre ("NCAC Arbitration Rules") being in force at the time of commencement of arbitration, and by reference in this clause, the NCAC Arbitration Rules are deemed to be incorporated as part of these Conditions. The Tribunal shall consist of 3 (three) arbitrators. One arbitrator shall be appointed by the Issuer, one arbitrator shall be appointed by the Bondholders' Representative (acting on behalf of the Bondholders), and the third arbitrator, who shall act as the Presiding Arbitrator of the Tribunal, shall be appointed by the two party-appointed arbitrators. If the two party-appointed arbitrators fail to agree upon the third arbitrator within 30 days of the appointment of the second arbitrator, the third arbitrator shall be appointed by the President of the NCAC. The language of the arbitration shall be Khmer.

21. EFFECTIVE DATE

This Agreement shall be effective from the Issue Date.

IN WITNESS WHEREOF, the Parties hereto have signed and stamped as the above written terms and conditions.

THE ISSUER

SIGNED for and on behalf of

LOLC (Cambodia) Plc.

By: _____

Mr. Sok Voeun

Position: Chief Executive Officer

THE BONDHOLDERS' REPRESENTATIVE

SIGNED for and on behalf of

Canadia Securities Co., Ltd.

By: _____

Mr. Thai Nha

Position: Chief Executive Officer

WITNESS

By: _____

Mr. Sok Sophal

Position: Deputy Chief Executive Officer /Chief Financial Officer

WITNESS

By: _____

Mr. Hou Sokchea

Position: Senior Legal Officer

Credit Rating Report
No.: 001/26
Mar 03, 2026

LOLC (Cambodia) Plc.

Credit Rating		Bond 1 Information		Bond 2 Information	
Issuer Credit Rating	**khBBB**	Bond Credit Rating	**khAAA**	Bond Credit Rating	**khBBB**
Outlook	**Stable**	Size	USD 20 million	Size	Up to USD 50 million
		Settlement	Interest: Semi-annual Principal: Semi-annual amortization (Y3 – Y5)	Settlement	Interest: Semi-annual Principal: Semi-annual amortization (Y3 –Y5)
		Maturity	5 years	Maturity	5 years
		Type	Guaranteed	Type	Unsecured
		Coupon Rate	5.25% p.a.	Coupon Rate	7.0% p.a.
		Guarantor	Credit Guarantee Corporation of Cambodia (CGCC)		

Analysts:

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(+855) 89 621 833

Key Rating Rationale

We initiate the credit coverage of LOLC (Cambodia) Plc. (henceforth "LOLC") with an Issuer Credit Rating (ICR) of **"khBBB"** (National Scale) which indicates in the Cambodian context an *"Adequate capacity to meet financial commitments but more susceptible to adverse changes in circumstances and economic environment"*.

The Issuer Credit Rating itself has two components: a Stand-Alone Credit Profile (SACP) and an External Support Factor (ESF). SACP analyses the credit profile of LOLC from the perspective of its business risks and financial risk. LOLC's SACP rating of **"khBBB"** indicates a "Low Risk" profile.

The External Support Factor can be generated either by related party such as a parent company, a holding company or shareholders (Group Support), or by government-related entities (Country Support). In the case of LOLC, there are not enough elements to justify a "Strong" level of ESF. Hence, the ICR is maintained at **"khBBB"**.

For the Guaranteed Bond, the Recovery Scoring is "Very low risk" thanks to the guarantee provided by CGCC, an entity rated **"khAAA"** by Rating Agency of (Cambodia) Plc. – "RAC" in September 2025, meaning that bondholders can expect a recovery rate of 100%. Under these conditions the Bond Credit Rating is **"khAAA"** (National Scale), equal to the rating of the guarantor.

For the Unguaranteed Bond, the Recovery Scoring is "Low Risk" supported by our Earnings Model. Under these conditions the Bond Credit Rating is **"khBBB"** (National Scale), equal to the issuer credit rating.

The total issuance amounts is up to USD 50mn, of which a maximum of USD 20mn is planned to be guaranteed by CGCC. The final allocation between the guaranteed or unguaranteed tranches will depend on investors decision. The bond will be listed on CSX (Cambodia Securities Exchange). The proceed from the sustainability bond will be used for eligible green projects (USD 10mn) and social projects (USD40mn).

Outlook

The impact of the recent conflict with Thailand and macroeconomic headwinds may hinder loan growth and increase NPL. The transition into commercial bank will allow LOLC to add more product lines without having to significantly increase operating costs. Moreover, the diversification of the client base might lead to an improvement in overall credit quality. Finally, the new bond will strengthen LOLC's financial position. Hence the outlook is **"Stable"** in our view.

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អាសយដ្ឋាន៖ អគារលេខ២៤៦,មហាវិថីព្រះមុនីវង្ស ភូមិ១០ សង្កាត់ចឹងរាំង ខណ្ឌដូនពេញ រាជធានីភ្នំពេញ ព្រះរាជាណាចក្រកម្ពុជា
Address: #246, Preah Monivong Blvd, Village 10, Sangkat Boeung Raing, Khan Daun Penh, Phnom Penh, Kingdom of Cambodia
ទូរសព្ទ៖ (៨៥៥)២៣ ៩០២ ៤០៨ សារអេឡិចត្រូនិច៖ info@ratingagencyofcambodia.com.kh
Phone: (+855)23 902 408 Email: info@ratingagencyofcambodia.com.kh

RAC website

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Rating Sensitivity

On the upside, the ICR could be upgraded if LOLC demonstrate its ability in loan growth while controlling credit risk. An improvement in the financial risk profile would also contribute to an upgrade. On the downside, the pressure from economic headwinds and other factors negatively affecting performance such as increased NPL and lower profitability would lead us to review the rating.

Issues to Monitor

The growth in NPL, ECL, loan growth, credit quality, credit concentration, competitive strategy amid transition to commercial bank and the covenant breaches are subjects to be monitored.

LOLC (Cambodia) Plc.'s Summary

Overview

LOLC began in 1994 as an NGO with the mission to provide financial services to low income households. In 2002, LOLC incorporated as Thaneakea Phum (Cambodia) Ltd and licensed as a microfinance institution (MFI) by National Bank of Cambodia (NBC) in 2003. In 2015, LOLC Asia Private Limited acquired a majority stake and Thaneakea Phum (Cambodia) Ltd was rebranded as LOLC (Cambodia) Plc and converted to a microfinance deposit-taking institution (MDI). Currently, LOLC plans to apply for a commercial bank license in 2026.

Despite going through various transitions and changes in ownership, LOLC remains committed to its mission. At present, around 79% of its client live in rural areas and 46% of its clients' main income source is from agriculture activities. In the next five years, LOLC plans to diversified its client base by increasing services to SMEs and micro entrepreneurs in urban areas.

Geographic tension has put pressure on the Cambodian economy which affected banking that historically has had a strong link with economic activity. For instance, non-performing loans (NPL) ratios rise at commercial banks and MDIs during economic downturns. Despite these, LOLC has remained well positioned, maintaining solid loan growth, deposit growth and net interest margin.

LOLC is currently in breach of portfolio quality covenants with lenders (borrowing and subordinated debt). The breach is mainly due to NBC's circular on loan restructuring. The lenders are aware of the breaches and so far have taken no actions nor put any pressure on LOLC. The bond is expected to improve LOLC's financial position.

Performance

LOLC's main source of income is lending activities. Gross loans grew steadily, although slowed slightly in recent years. After becoming MDI and adding deposits to funding sources, gross loans continued to increase recording a CAGR (Compound Annual Growth Rate) of 22.0% between 2015-2025, standing at 4.0% in 2025. Moreover, Net interest income recorded a CAGR of 17.3% over the same period, rising to 8.9% in 2025. Net fee and commission income experienced fluctuations overtime but remain positive. Given that over 90% of total revenue came from interest income there were minimal impact on overall performance with operating profit and net profit growing at CAGR at around 16% between 2015-2025. However, in recent years, net profit declined from USD 65.7mn in 2023 to USD 40.0mn in 2024 primarily due to a significant increase in ECL (Expected Credit Loss). In 2025, net profit partially recovered to USD 53.5mn.

The changes in cost structure reflect the transition from an MFI to an MDI. The Interest expense to Revenue ratio rose from 29.6% (2012-2015) to 35.6% (2016-2025) as deposits grew from USD 90.3mn to USD 1,017.8mn. Moreover, Personnel expense to Revenue fell from 24.7% to 18.3% while Other operating expense to Revenue drop from 12.0% to 7.7% as efficiency gained. Lastly, Depreciation & amortization remain minimal averaging around 1.7%.

Note: Some documents used in the present credit analysis were in draft form. As such, the current credit ratings are provisional, contingent on the final versions of the documents not being materially different under the Bond Guaranteed Agreement.

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CONDENSED FINANCIAL STATEMENTS

	31-Dec-21	31-Dec-22	31-Dec-23	31-Dec-24	30-Sep-25
	USD	USD	USD	USD	USD
Income Statement Information					
Interest income	175,545,340	211,561,811	216,814,098	218,418,423	167,919,482
Interest expense	(61,549,044)	(74,946,875)	(86,184,048)	(85,275,607)	(55,607,369)
Net Interest income	**113,996,296**	**136,614,936**	**130,630,050**	**133,142,816**	**112,312,113**
Fee and commission income	5,617,123	6,623,955	5,407,036	4,127,478	3,621,212
Fee and commision expense	(138,854)	(219,952)	(202,441)	(157,582)	(128,139)
Net fee and commission income	**5,478,269**	**6,404,003**	**5,204,595**	**3,969,896**	**3,493,073**
Profit before income tax	67,978,116	73,639,781	82,503,922	50,488,137	43,743,955
Profit for the year	**54,651,924**	**58,695,280**	**65,714,357**	**40,000,952**	**35,138,336**
Balance Sheet Information					
Assets					
Cash on hand	23,339,011	25,943,612	30,446,024	26,837,612	22,389,405
Deposits and placement with NBC and banks, net	96,982,829	137,683,348	197,424,654	193,413,299	219,265,174
Investment securities at amortised cost	-	-	-	829,804	839,283
Investment in associate	-	-	-	-	1,000,000
Loans and advances at amortised cost	1,014,951,716	1,216,109,904	1,224,758,721	1,276,017,638	1,282,528,598
Property and equipment	1,573,088	1,662,649	2,973,198	2,391,192	2,308,402
Intangible assets	2,602,364	2,013,683	1,913,854	2,935,206	2,731,569
Total Asset	**1,211,355,157**	**1,475,663,556**	**1,567,832,502**	**1,605,505,747**	**1,633,808,493**
Liabilities and Equity:					
Desposits from customers and FIs	581,937,121	767,174,498	903,917,855	1,001,378,991	1,069,232,762
Borrowings	282,796,470	308,392,165	216,424,994	147,199,731	97,142,084
Lease liabilities	6,192,545	6,398,282	6,727,458	7,170,128	6,967,839
Other liabilities	9,860,352	10,838,020	9,611,521	9,277,970	9,414,678
Subordinated debts	62,002,956	76,312,671	62,118,280	44,466,653	19,699,101
Total Liability	**976,897,174**	**1,185,386,795**	**1,211,637,044**	**1,216,932,731**	**1,208,643,626**
Share capital	55,460,850	55,460,850	103,969,218	103,969,218	103,969,218
Retained earnings	86,241,545	144,936,825	153,048,830	141,614,157	142,398,634
Reserves	92,755,587	93,768,951	100,391,214	138,587,849	172,941,708
Total Equity	**234,457,982**	**290,276,761**	**356,195,458**	**388,573,016**	**425,164,867**
Total Equity and Liability	**1,211,355,156**	**1,475,663,556**	**1,567,832,502**	**1,605,505,747**	**1,633,808,493**
Cash Flow Information					
Net cash generated from operating activities	(74,685,879)	25,203,707	176,423,369	93,618,410	99,022,633
Net cash used in investing activities	(2,422,500)	(1,530,774)	(2,919,764)	(13,319,860)	4,171,781
Net cash used in financing activities	38,298,079	20,815,402	(110,208,205)	(101,700,533)	**(76,285,490)**
Net changes in cash and cash equivalent	**(38,810,300)**	**44,488,335**	**63,295,400**	**(21,401,983)**	**26,908,924**
Cash and cash equivalents at end of the year	**120,363,254**	**163,270,274**	**228,232,023**	**209,987,660**	**237,682,076**

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Rating Definition

Issuer Credit Rating – National Scale			
National Rating	**Definition**		
khAAA	Extremely Strong Capacity to meet financial commitments	1	Very low risk
khAA	Very strong capacity to meet financial commitments	2	
khA	Strong capacity to meet financial commitments but somewhat susceptible to adverse changes in circumstances and economic environment	3	Low risk
khBBB	Adequate capacity to meet financial commitments but more susceptible to adverse changes in circumstances and economic environment	4	
khBB	Adequate capacity to meet financial commitment but more vulnerable to adverse changes in circumstances and economic environment	5	Moderate risk
khB	Adequate capacity to meet financial commitments but more likely to be affected by adverse changes in circumstances and economic environment	6	
khCCC	Capacity to meet financial commitments dependent on favorable business, financial and economic conditions	7	High risk
khCC	Weak capacity to meet financial commitments	8	
khC	Unlikely to be able to meet financial commitments	9	Very high risk
khD	In default partially or for all financial commitments	10	

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Credit Monitoring Rating Report
No.: 008/25
Sep 25, 2025

Credit Guarantee Corporation of Cambodia

Credit Rating		Credit Rating History	
Issuer Credit Rating	**khAAA**	Issuer Credit Rating	**khAAA**
Outlook	**Stable**	Outlook	**Stable**
		Issuing Date	December 19, 2023

Analysts:

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Key Rating Rationale

We confirm the Issuer Credit Rating (ICR) Credit Guarantee Corporation of Cambodia ("CGCC" or "the Company") at **"khAAA"** (National Scale) with a **''Stable''** outlook.

CGCC's performance remained stable in FY24, driven by continued growth in guarantee income and investment income. However, compared with the previous period (2023), while revenue has continued to rise, net profit experienced a decline leading to a marginal drop in profitability ratios. Going forward, ECL (Expected Credit Loss) for guarantee scheme and Operating Expenses are expected to keep pressuring CGCC's net profit.

CGCC continues to introduce new services that diversify its portfolio. In 2025, CGCC is expected to achieve the following targets: i.) new guaranteed loan amount by USD 180mn, ii.) new guaranteed account by 2,000 accounts and iii.) bond guaranteed is targeted to reach USD 30mn.

We expect the 19% tariff on Cambodian exports to the US and geographic uncertainty to create challenges for CGCC.However, with an experienced management team and strong backing by MEF (Ministry of Economy and Finance), CGCC is well positioned to overcome these challenges.

Outlook

CGCC set clear targets to expand its guarantee activities in 2025. its Guarantee income is influenced by economic and banking activities in Cambodia, where the economy is projected to grow by 5.2% yoy in 2025 and 4.7% yoy in 2026 by AMRO. This positive development -albeit less than initially anticipated- supports expectations for increases in loan disbursement by banks, which would benefit CGCC's loan guarantee business. The Cambodian bond market has shown momentum recently, with more bonds being listed on the Cambodia Securities Exchange (CSX). In Cambodia's first-ever joint congress of National Assembly and Senate, PM Hun Manet also urged the private sector to utilize the capital markets by issuing equity and bonds. These indicators point to a positive contribution. However, CGCC's primary source of income will continue to be investment income for the next few years. Additionally, the US tariff at 19% on Cambodian exports, effective from 1st August 2025 along with rising tension with Thailand will pose external challenges. Overall, the outlook for CGCC remains **"Stable"**.

Rating Sensitivity

On the upside, an improvement in the above parameters would lead us to review our rating. On the downside, a drastic worsening of the financial risk profile and economic headwinds could trigger changes in rating.

Issues to Monitor

Guarantee growth rate, Non-Performing Guarantee (NPG), ECL for Guarantee Scheme, Liquidity and Profitability will be closely monitored.

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Credit Guarantee Corporation of Cambodia Plc. Summary

Overview

In 2024 CGCC recorded revenue growth from guarantee income and investment income at 33.9% yoy and 5.5% yoy, respectively. Positive economic projections for Cambodia by AMRO (The ASEAN+3 Macroeconomic Research Office) and encouragements from the Government to use capital markets, suggest further growth opportunities for CGCC. Additionally, CGCC operations have grown yoy by introducing new services and expanding local and international partnerships. CGCC is still heavily reliant on investment income. We expect this trend to continue for the next few years. The risk profile remains very strong, hence we confirm CGCC's Credit Rating at **khAAA**.

Performance

In FY24, CGCC's revenue reached USD 17.5mn, marking a 7.7% yoy growth. Since beginning operation in 2021 CGCC's revenues have grown annually. However, CGCC guarantee income still contributed less than 10% annually, as CGCC develops its operations and its capital is not fully deployed yet, which generates substantial investment income in the meantime. CGCC's net profit decreased by 7.3% in 2024, mainly due to a 16.2% yoy increase in Operating Expenses. Moreover, ECL for guarantee scheme continues to put pressure on CGCC profitability with a significant increase to USD 6.4mn, up from USD 3.02mn in 2023. Both factors led to a drop in net profit in 2024. The rise in operating expenses, coupled with higher ECL weakened CGCC's profitability in FY24, as evidenced by a lower Return on Equity (ROE) and Return on Capital (ROC).

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CONDENSED FINANCIAL STATEMENTS

	31-Dec-21 USD	31-Dec-22 USD	31-Dec-23 USD	31-Dec-24 USD
Income Statement Information				
Guarantee income	61,510	502,665	1,117,023	1,495,919
Investment Income	9,082,596	13,223,750	15,124,834	15,955,812
Other Income	49,919	25,497	30,800	65,865
Total Income	**9,194,025**	**13,751,912**	**16,272,657**	**17,517,596**
Personnel expenses	(860,501)	(1,320,453)	(1,835,370)	(2,064,156)
Marketing expenses	(38,977)	(200,727)	(135,010)	(149,809)
General and administrative expenses	(347,912)	(357,211)	(560,744)	(739,892)
Finance cost	-	(17,007)	(19,855)	(11,538)
Total Operating Expense	**(1,247,390)**	**(1,895,398)**	**(2,550,979)**	**(2,965,395)**
Profit (Loss) from operations	7,946,635	11,856,514	13,721,678	14,552,201
Net Expected Credit Loss after Claims and Recoveries	(37,261)	(443,471)	(3,021,180)	(6,412,086)
Profit (Loss) from operations after ECL	**7,909,374**	**11,413,043**	**10,700,498**	**8,140,115**
Net gain/ (loss) on unrelised currency translation	(239,591)	(2,212,706)	1,814,723	3,484,478
Profit (Loss) before tax	**7,669,783**	**9,200,337**	**12,515,221**	**11,624,593**
Income tax expense	(8,611)	(58,789)	(84,436)	(103,290)
Profit (Loss) for the financial period	**7,661,172**	**9,141,548**	**12,430,785**	**11,521,303**
Balance Sheet Information				
Assets				
Cash and cash equivalents	3,731,892	5,635,439	4,063,430	11,900,189
Investment in securities at amortised cost	-	1,943,160	1,958,384	1,987,576
Other receivables	9,096,842	8,347,673	10,327,698	10,669,262
Contract assets	1,769	3,418	4,530	4,687
Term deposits	193,912,610	200,596,954	215,534,364	224,684,651
Intangible assets	60,000	126,000	382,890	335,930
Property and equipment	329,593	591,878	473,674	350,681
Right-of-use asset	-	239,072	182,820	150,477
Deferred tax assets	-	-	14,545	20,215
Total Assets	**207,132,706**	**217,483,594**	**232,942,335**	**250,103,668**
Liabilities and Equity:				
Other payables	116,188	363,317	765,003	2,201,343
Contract liabilities	212,268	457,966	657,522	770,062
Expected Credit Losses for Credit Guarantee	37,263	480,597	2,950,234	7,119,876
Current income tax liabilities	6,583	19,717	35,454	27,493
Severance pay	30,612	37,604	19,377	-
Lease liabilities	-	253,053	212,620	161,466
Total liabilities	**402,914**	**1,612,254**	**4,640,210**	**10,280,240**
Share capital	200,000,000	200,000,000	200,000,000	200,000,000
Retained earnings	6,729,792	15,871,340	28,302,125	39,823,428
Total equity	**206,729,792**	**215,871,340**	**228,302,125**	**239,823,428**
Total liabilities and equity	**207,132,706**	**217,483,594**	**232,942,335**	**250,103,668**
Cash Flow Information				
Net cash generated from /(used in) operating activities	(2,367,776)	(1,196,219)	(2,110,303)	(2,953,338)
Net cash used in investing activities	(193,900,332)	3,144,981	598,582	10,867,664
Net cash used in financing activities	-	(45,215)	(60,288)	(77,567)
Net changes in cash and cash equivalent	**(196,268,108)**	**1,903,547**	**(1,572,009)**	**7,836,759**
Cash and Cash equivalents, end of the year	**3,731,892**	**5,635,439**	**4,063,430**	**11,900,189**

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Rating Definition

Issuer Credit Rating – National Scale			
National Rating	**Definition**		
khAAA	Extremely Strong Capacity to meet financial commitments	1	Very low risk
khAA	Very strong capacity to meet financial commitments	2	
khA	Strong capacity to meet financial commitments but somewhat susceptible to adverse changes in circumstances and economic environment	3	Low risk
khBBB	Adequate capacity to meet financial commitments but more susceptible to adverse changes in circumstances and economic environment	4	
khBB	Adequate capacity to meet financial commitment but more vulnerable to adverse changes in circumstances and economic environment	5	Moderate risk
khB	Adequate capacity to meet financial commitments but more likely to be affected by adverse changes in circumstances and economic environment	6	
khCCC	Capacity to meet financial commitments dependent on favorable business, financial and economic conditions	7	High risk
khCC	Weak capacity to meet financial commitments	8	
khC	Unlikely to be able to meet financial commitments	9	Very high risk
khD	In default partially or for all financial commitments	10	

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SUSTAINABILITY BOND FRAMEWORK

LOLC (Cambodia) Plc.

December 2024

HISTORY OF AMENDMENT

No.	Date	Version	Revision
1	September 20th, 2024	01	First Draft
2	December 30th, 2024	01	First revision

SUMMARY OF MODIFICATIONS

Date	Content	Existing Description	New revision
December 30th, 2024	Part 2. Use of Proceeds	Existing Principle	• Removed (ii) Undereducated group • Modified definition of (iii) Low-income household • Modified definition of (iv) Micro, small, and medium enterprise (MSMEs)
December 30th, 2024	Part 2.1 Eligible Green Categories	Existing Principle	• Modified on Eligible Projects/Activities of "Energy Efficiency" • Modified on Eligible Projects/Activities of "Clean Transportation"
December 30th, 2024	Part 2.2 Eligible Social Categories	Existing Principle	• Modified on Eligibility Criteria of "Employment Generation" • Modified on Eligibility Criteria and Eligible Projects/Activities of "Socioeconomic Advancement and Empowerment" • Modified on Eligibility Criteria and Eligible Projects/Activities of "Financial Inclusion"
December 30th, 2024	Part 5.2 Impact Reporting by LOLC	Existing Principle	• Added "The impact report will be reviewed by an independent internal audit team and reported annually until the maturity of the bond."
December 30th, 2024	Part 5.2.1 Eligible Green Categories	Existing Principle	• Modified on "Key Performance Indicators"
December 30th, 2024	Part 5.2.2 Eligible Social Categories	Existing Principle	• Modified on "Key Performance Indicators"

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1. Introduction and Background

1.1 About LOLC (Cambodia) Plc.

LOLC (Cambodia) Plc. ("LOLC") is a leading microfinance institution in Cambodia, providing financial solutions to meet the needs of Cambodian families, entrepreneurs, and customers seeking economic opportunities to improve their lives. Founded in 1994 as a credit program managed by Catholic Relief Service, it became Thaneakea Phum (Cambodia) Ltd. (TPC) in 2002 and obtained a microfinance institution license from the National Bank of Cambodia in 2003. In 2015, TPC changed its name to LOLC (Cambodia) Plc. and obtained a microfinance deposit taking license. LOLC is co-owned by LOLC Asia Private Limited and TPC-ESOP Co, Ltd.

As of September 2024, LOLC's assets exceeded USD 1.54 billion, with a staff of over 3 thousand staffs. LOLC is a prominent microfinance institution in Cambodia with a vision to be the most trusted provider of inclusive financial services in Cambodia.

LOLC Cambodia's mission is to create lasting positive impact on the communities it serves through the sustainable delivery of inclusive and client-centric financial services, while at the same time generating stakeholder value.

LOLC has been certified by the SMART campaign since 2015 and in February 2022, has been awarded the Gold Level of Client Protection Certificate by Cerise and SPTF, certifying its adherence to high standards of client protection. LOLC intends to maintain these high standards, which requires a regular update of its internal processes to incorporate new products (e.g. insurance) and of its financial education materials (videos, advertising), and training classes. LOLC operates in a regulated financial sector overseen by the National Bank of Cambodia (NBC). Its provision of financial capabilities for customers to improve their livelihoods has led to an increase in its gross loan portfolio.

1.2 LOLC's Contribution Toward Sustainability

LOLC is committed to contributing to sustainability through its focus on Environmental, Social, and Governance (ESG) practices. Recognizing the crucial role of the financial sector in addressing social and environmental challenges, LOLC actively involves stakeholders in these efforts. This includes lenders providing funding support, LOLC as a financial provider, and clients who demand social and environmentally friendly products.

LOLC has developed this Sustainability Bond Framework for the issuance of green, social and sustainability bonds to use the proceeds to finance in part, existing and future projects that improve access to affordable and renewable energy, as well as the financing of SMEs engaged in socially impactful projects. The framework defines eligibility criteria in three green and five social areas:

Green Eligible Categories

1. Renewable Energy
2. Energy Efficiency
3. Clean Transportation

Social Eligible Categories

1. Employment generation
2. Socioeconomic advancement and empowerment
3. Better Housing Condition
4. Access to clean water, sanitation, and hygiene
5. Financial Inclusion

To drive impact targeted at achieving these objectives, LOLC has integrated ESG considerations into its lending processes.

In terms of LOLC's environmental efforts, as a company LOLC has initiated a tracking system to establish baseline measurements for reducing its environmental footprint. This system monitors LOLC's direct resource usage, including electricity, water, gasoline, and diesel.

LOLC's social outreach demonstrates its commitment to inclusivity and empowering marginalized groups. LOLC's socially intrinsic client base includes women, rural borrowers, and clients involved in agriculture. Overall, LOLC's initiatives showcase its dedication to sustainable practices and its active role in addressing climate change.

Through its diverse array of environmental and social products, LOLC makes meaningful impact through specialized financial products and lending targeted at improving water and sanitation infrastructure, supporting low-income families, facilitating housing improvements, promoting green initiatives, and fueling entrepreneurship. The following products align with LOLC's commitment to sustainability, social responsibility, and empowering communities:

a. The **WASH Individual Loan (WIL)** is a dedicated product that enables clients to enhance water, sanitation, and hygiene conditions in their communities. It supports initiatives such as constructing or renovating latrines, wells, ponds, water storage facilities, or purchasing water filters. This initiative is aligned with the social eligible category.

b. LOLC is committed to supporting low-income families, and its **Group Loan (GL)** product and **Individual Loan (IL)** has provided financial assistance to those clients. This offering aims to empower disadvantaged households, enabling them to improve their economic situation and overall well-being. This initiative is aligned with the social and green eligible category.

c. For clients seeking to enhance their quality of life through housing, LOLC offers the **Home Improvement Loan (HIL)**. These products enable individuals and families to create safer and more comfortable living environments. This initiative is aligned with the social eligible category.

d. LOLC's commitment to sustainability extends to green lending through **Life Improvement Loan Asset-Backed (LILAB)**, which focuses on supporting environmentally friendly initiatives.

e. In line with its mission to foster economic growth and empower entrepreneurs, LOLC provides a significant number of income-generating loans. This portfolio includes **small and medium enterprise loan (SME)** and **Seasonal Loan (SNL)**. This initiative is aligned with the social and green eligible category.

1.3 The Sustainability Bond Framework

LOLC has established this Sustainability Bond Framework ("the Framework") as a part of its broader sustainability strategy with the aim of focusing on assets with positive environmental and social impact.

The Framework is aligned with the ICMA Sustainability Bond Guidelines (SBG) 2021, ICMA Green Bond Principles (GBP) 2021 and Social Bond Principles (SBP) 2021, as well as the ASEAN's Sustainability Bond Standards (ASUS) 2018, which combines the ASEAN Green Bond Standards (AGBS) 2018 and the ASEAN Social Bond Standard (ASBS) 2018. These are a set of voluntary guidelines aimed at promoting transparency, disclosure, and integrity in the growth of the green, social, and sustainable bond markets. LOLC's Sustainability Bond Framework serves as a comprehensive framework enabling the institution to issue Sustainability Bonds.

LOLC guarantees its commitment to follow the guidelines outlined in this Framework for each issuance of Green, Social, or Sustainability Bonds, encompassing (1) Use of Proceeds, (2) Project Evaluation and Selection, (3) Management of Proceeds and (4) Reporting as set out in this Framework.

2. Use of Proceeds

The proceeds of the Sustainability Bond will finance eligible green and/or social projects. The projects and assets eligible for funding are required to meet LOLC's Green and Social Eligibility Criteria and be aligned with ICMA Sustainability Bond Guidelines (SBG), ICMA Green Bond Principles (GBP) and Social Bond Principles (SBP), as well as the ASEAN's Sustainability Bond Standards (ASUS), which combines the ASEAN Green Bond Standards (AGBS) and the ASEAN Social Bond Standard (ASBS).

Eligible green projects require environmental benefits such as a reduced carbon footprint and vulnerability of communities to climate change. Eligible social projects require positive social outcome by providing loans for job creation, business expansion, agriculture activities, clean water, sanitation accessing, and home improvement. The population of eligible green and social project include:

(i) **Individuals or corporate** who utilize loans for the purpose of renewable energy, energy efficiency, and clean transportation.
(ii) **Underserved,** owing to a lack of quality access to essential goods and services such as women and those living in rural areas.
(iii) **Low-income household,** low-income household: their households income eligible to access loan size up to USD 3,000.
(iv) **Micro, small, and medium enterprise (MSMEs)** that operate in manufacturing, commercial, service and agriculture, forestry, fishing, and other sectors. It is divided into sectors in Cambodia, including agriculture, industry, and service and commercial. SME in each sector is defined by two criteria: the number of employees and the turnover of assets as below table.

Sector	Item	Micro	Small	Medium
Manufacturing	FTE Workforce Count	1-2	3-49	50-499
	Assets (excluding land)	$50,000 and below	$50,000 - $500,000	$500,000 - $1,000,000

Agriculture, Forestry and Fishing	FTE Workforce Count	1-2	3-49	50-199
	Assets	$50,000 and below	$50,000 - $500,000	$500,000 - $1,000,000
Wholesale and Retail Trade	FTE Workforce Count	1-2	3-49	50-199
	Assets (excluding land and buildings)	$50,000 and below	$50,000 - $500,000	$500,000 - $1,000,000
Other Services	FTE Workforce Count	1-4	5-49	50-99
	Assets (excluding land)	$50,000 and below	$50,000 - $500,000	$500,000 - $1,000,000
Other Activities	FTE Workforce Count	1-9	10-49	50-199
	Assets	$50,000 and below	$50,000 - $500,000	$500,000 - $1,000,000

FTE = full-time equivalent, MSME = micro, small, and medium-sized enterprise.

LOLC selects SME loan products with loan size more than USD 10,000 to identify micro, small, and medium enterprise (MSMEs). Due to limitations in the digital data within LOLC's core banking system, MSMEs will be assumed to have a minimum of two full-time equivalent (FTE) employees to ensure a conservative estimate.

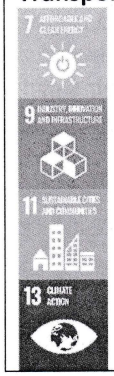
All designated green and social projects should provide clear environmental and social benefits, which are assessed and quantified by LOLC.

2.1 Eligible Green Categories

The eligibility is defined in areas of end-use energy efficiency or renewable energy. The project must meet a set of criteria that define the projects that contribute to support climate adaptation and mitigation, aligning with Cambodia's climate priorities and sustainable development goals (SDGs). The criteria are based on the scientific consensus on what activities are most effective at mitigating climate change as below table.

The net proceeds from the Sustainability Bond will be allocated to finance or refinance projects and assets that fulfill LOLC's Green Eligibility Criteria, as outlined below:

ELIGIBLE CATEGORIES	ELIGIBILITY CRITERIA	ELIGIBLE PROJECTS / ACTIVITIES
Renewable Energy	With this category, LOLC aims to finance eligible Green Loans that pertain to renewable energy (solar energy) sourced from natural resources which are replenished on a human timescale.	• Renewable energy technologies or equipment

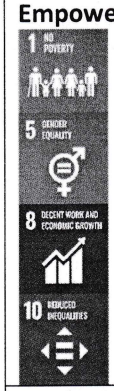
Energy Efficiency	Finance to eligible Green Loans related to the development and implementation of products or technologies that reduce energy consumption/CO2 emission.	• New technologies or equipment that reduce energy consumption/save CO2 emission at least 20% including hybrid vehicles[1]
Clean Transportation 	Finance to eligible Green Loans that related to clean vehicles and clean transportation projects which refers to modes of transportation that produce minimal or no emissions of pollutants and greenhouse gases.	• Clean vehicles and clean transportation projects including electric vehicles

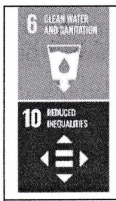
2.2 Eligible Social Categories

The eligibility is defined in areas of employment generation, socioeconomic advancement and Socioeconomic Advancement and Empowerment, better housing condition, access to clean water, sanitation, and hygiene, as well as financial inclusion are aligned with those recognized by the social bond principles (SBP). The projects financed under this framework will deliver a positive social impact in Cambodia are listed as below table.

The proceeds will be allocated to finance or refinance projects and assets that fulfill LOLC's Social Eligibility Criteria as outlined below, while also meeting the requirement of serving LOLC's target populations.

[1] A hybrid vehicle uses more than one means of energy, combining a petrol or diesel engine with an electric motor, and the two systems work with each other to move the vehicle. This allows the vehicle to burn less gasoline, achieving better fuel efficiency than a traditional engine that solely uses fuel does.

ELIGIBLE CATEGORIES	ELIGIBILITY CRITERIA	ELIGIBLE PROJECTS / ACTIVITIES
Employment Generation	Within this category, LOLC aims to finance eligible micro, small and medium enterprises (MSMEs) which comply and meet the definition of Micro-, Small, and Medium-size enterprises with loan size more than USD 10,000. Those businesses create employed jobs and/or self-employed (entrepreneurs).	• Small and Medium Enterprise Loans (SME) that support employment generation in micro, small and medium enterprises (MSMEs).
Socioeconomic Advancement and Empowerment 	Under the Socioeconomic Advancement and Empowerment (Equal Opportunities) category, LOLC will finance the loans to underserved (**women in rural areas**) in purpose to expand their small agriculture activities with loan size more than USD 3,000 up to USD 10,000.	• Individual Loans (IL), Group Loans (GL) and Seasonal Loans (SNL) are given to target female clients to expand their small agriculture activities.
Better housing condition	Within this category, LOLC aims to finance by offering to those borrowers who need to have their existing houses fixed or renovated in order to get better living conditions.	• Home Improvement Loans (HIL) can make client's home more comfortable and liveable, improving quality of life.
Access to clean water, sanitation, and hygiene	Under the access to clean water, sanitation, and hygiene category, in this category, LOLC will finance to a target population for improvement their health and well-being, and quality of life.	• Individual Loan (IL), Group Loan (GL), Small and Medium Enterprise Loans (SME), WASH Loans (WIL) and Seasonal Loan (SNL) provide people with access to clean, safe water,

		which can improve their health and well-being, quality of life.
Financial Inclusion	Within financial Inclusion category, LOLC will also finance loans to female clients living in rural areas who lack access to mainstream sources of finance particularly or incomes below the poverty line as per national definitions or their household's income eligible to access loan size up to USD 3,000.	• Individual Loans (IL), Group Loans (GL), and Seasonal Loans (SNL) can help female clients living in rural areas to start or expand their micro businesses, which can lead to increase income and employment opportunities.

Underdeveloped areas in Cambodia are defined as those regions in which GDP per capita is below Cambodia's average.

2.3 Responsible Lending Practices

2.3.1 Exclusion List

LOLC will not use the proceeds of any Green, Social or Sustainability issuance to finance projects/businesses involved in the following activities:

No.	Prohibited Activities List/Exclusion List
1	Production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, including without limitation host country requirements related to environmental, health and safety and labor aspects
2	Production or trade in weapons and munitions
3	Production or trade in alcoholic beverages (excluding beer and wine)
4	Production or trade in tobacco
5	Gambling, casinos and equivalent enterprises
6	Trade, production, breeding or possession of animals, plants or any natural products in breach of the provisions of CITES *
7	Production or trade in radioactive materials
8	Production or trade in or use of unbonded asbestos fibers
9	Commercial logging operations or purchase of logging equipment for use in primary tropical moist forest
10	Production or trade in pharmaceuticals subject to international phase outs or bans
11	Production or trade in pesticides/herbicides subject to international phase outs or bans
12	Drift net fishing in the marine environment using nets in excess of 2.5 km. in length
13	Production or activities involving harmful or exploitative forms of forced labor/harmful child labor
14	Production or trade in products containing PCBs **
15	Production or trade in ozone depleting substances subject to international phase out

16	Production or trade in wood or other forestry products from unmanaged forests
17	Production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals. Hazardous chemicals include gasoline, kerosene, and other petroleum products
18	Production or activities that impinge on the lands owned, or claimed under adjudication, by Indigenous Peoples, without full documented consent of such peoples
19	Business activities that could cause the land dispute, land loss, the loss of land possession, land use restriction, not allowing for residential enjoyment or other business operations thereon, and business activities that could cause evacuation and involuntary resettlement
20	Any business relating to pornography or prostitution
21	Persistent Organic Pollutants (POPs); GHG emission, Carbon (Co2), water pollution and ground water contamination
22	Plantation projects that would require the removal of existing non-degraded natural forest
23	Cross-border trade of waste, except those authorized by the Basle convention and its underlying regulations
24	Business activities involving the production or generation of significant amount of solid and liquid/water waste
25	Business activities that could cause hug explosion, hug dust, smoke, disturbing noise, causing adverse effect the safety and security of daily work, and living of people in the surrounding area
26	Business activities involving the use of high volume of electricity/power, paper or water that could cause interruption to the neighboring community. Business activities that seen overexploitation natural resources
27	Production and distribution or participation to racist, anti-democratic media or media advocating discrimination of one part of a population
28	Sector with little linkage effects, high risks and /or subject to speculation, e.g. Real Estate
29	Production or services, which cause recognized and serious damage to the natural environment and are forbidden under the laws of Cambodia for that reason
30	Projects involving the construction of large dams that significantly and irreversibly***
31	Projects in, impacting, or cause the loss of natural World Heritage Sites such as memorial/worship/holy site, farmland, village or community
32	Projects in or impacting areas on the United Nations List of National Parks and Protected Areas
33	Extraction or infrastructure projects in or impacting: protected area Categories I, II, III, and IV as defined by the International Union for the Conservation of Nature
34	Activities that could cause Significant Environmental Harm; that could cause the loss of living thing, loss habitats to the life of rare species and common species. Business activities could cause the rising of unfriendly species, invasion of alien species, epidemic disease/cholera
35	Located in or sufficiently near sensitive locations of national or regional importance to have perceptible environmental impacts
36	Giving or receiving gifts that could be interpreted as intending to influence business decisions
37	Making political contributions, i.e., to political parties or candidates
38	Abusing confidential or material, non-public information
39	Financial or economic crime, including involvement in money laundering
40	Illegal or deceitful recording and reporting of financial and/or tax information
41	Business transactions where the price for goods or services is set artificially high or low

42	Any equipment, sector, or service subject to economic sanctions issued by the United Nations, the European Union or France, without absolute or relative restriction regarding the amount
43	Illicit trade or activities that facilitate the illicit traffic of cultural property
44	Illicit activities involving organs, tissues and products of the human body, or genetic engineering activities banned by the national bioethical standards of France or of the host country, and by relevant applicable European or international standards
45	Projects whose purpose and/or approach are inconsistent with human rights, and in the case of private sector financing, projects underpinned by rationales that clearly contradict the United Nations Guiding Principles on Business and Human Rights
46	Crude oil refineries and installations for the gasification and liquefaction of 500 tons or more of coal or bituminous shale per day.

2.3.2 Environmental and Social Awareness/Assessment

LOLC will Environmental and Social awareness/assessment with all loans that proceeds of any Green, Social or Sustainability issuance:

- For loans which are lower than USD 30,000, environmental and social awareness are discussed with clients on risk areas and give suggestions for improvement.
- For Small and Medium Enterprise loans (SME) which are bigger than or equal to USD 30,000, a comprehensive tool is fully integrated into the lending process.

The detailed assessment is conducted to evaluate whether the impact is low, medium or high. Then, suggestions will be made to the client for their awareness and improvement. As an ongoing approach, the progress of environmental and social assessment is also monitored by sustainability management team and checked by quality assurance and internal audit.

High-risk clients will be informed that the entity granting her/him the loan will take a visit during periodic review to evaluate the client's activities and if there is a negative impact to the environmental, health and safety, and labor aspects. Clients that are found to be noncompliant with environmental, health and safety, and labor aspects stipulated in the loan may see their loans called, in line with bank procedures, and may no longer be able to obtain a new loan. Please refer to Annex I: E&S Risk Assessment Form.

Additionally, LOLC will ensure client protection and prevention of over indebtedness through the establishment of client recourse mechanisms, the provision of financial literacy for clients and adherence to the standards of the National Bank of Cambodia and SMART Campaign' Client Protection Principles.

3. Process of Project Evaluation and Selection Process

LOLC Cambodia will use the proceeds generated from its Sustainability Bond to fund new projects or assets that meet the specified project eligibility criteria. The aim is to allocate all the funds within a span of **two years** after the offering is made. LOLC's project evaluation and selection process is executed through a dedicated Sustainable Bond Working team comprising representatives from various corporate departments coordinated by Sustainability Management Department (SMD) with the oversight of Deputy Chief Executive Officer (DCEO). The head of Sustainability Management Department (HSMD) is tasked with reviewing and recommending to

Chief Executive Officer for approving eligible green and social projects, after the initial selection by the company's Credit Department.

All projects that are chosen by LOLC's SMD and Credit Department to be included in the Sustainable Bond Portfolio will undergo prior and independent evaluation based on internal policies and procedure for managing environmental and social risks. Once a project qualifies as an Eligible Project and becomes part of the Sustainable Bond Portfolio, it will remain in the portfolio unless it encounters termination, expiration, or no longer fulfils the aforementioned eligibility criteria.

Classifying the level of environmental and social risk based on the national and international Environmental and Social Risk Categorization List and activities, projects or actions within sectors are checked in order to ensure the compliance with the Environmental and Social National Laws and Regulations (requires relevant documents, permits and licenses), conducting routine site visit, checking if all borrowers (legal entities) commit to respect and apply national regulations of environmental, social, labor, occupational health and safety policies.

LOLC has formalized an environmental and social impact assessment process to all loan products and loan sizes on project finance prior to the project selection process which incorporates an E&S risk assessment toolkit comprising 6 questions around 2 pillars of the borrower's business risk level and risk management quality.

4. Management of Proceeds

Management of Funds: The Finance department will oversee the management of funds on the bond-to-bond approach. The Corporate Treasury Department at LOLC will monitor and regulate the utilization of funds from each offering. If a portion of the proceeds from the bond issuance is not immediately allocated to eligible assets, the unallocated proceeds will be held in a bank account as liquid assets until they can be redirected towards eligible assets. During the duration of an offering, if an asset financed by the funds from the Sustainability bond matures or is sold, LOLC will strive to reallocate an equivalent amount of funds towards eligible projects and assets.

Allocation of Funds: The allocation of funds in the bond-to-bond approach involves careful management by the Finance department. Unallocated proceeds from the bond issuance will be held in a bank account as liquid assets until they can be directed towards eligible assets. The Corporate Treasury Department at LOLC will oversee this process and ensure that funds are allocated appropriately.

Reallocation of Funds: When an asset financed by the funds from the Sustainability bond matures or is sold, LOLC will make effort to reallocate an equivalent amount of funds towards eligible projects and assets. This reallocation process ensures that the funds from the bond issuance continue to support sustainable development initiatives.

5. Reporting

5.1 Allocation Reporting by LOLC

LOLC strives to maintain transparency and accountability by aiming to release an Allocation Report regarding the utilization of proceeds from LOLC's Green, Social, and/or Sustainability Bonds issued under this Framework. This report will provide a detailed description of LOLC's Eligible Loan Portfolio.

LOLC is dedicated to maintaining transparency and accountability in its financial practices by committing to provide annual reports until the complete allocation of funds to eligible assets is achieved. This commitment ensures that stakeholders are kept informed about the progress and status of the investments made through its Sustainability Bond. Furthermore, LOLC will continue to update these reports in the event of any significant changes within its eligible loan portfolio, thereby ensuring that all relevant information is communicated effectively until the bond reaches maturity. This proactive approach not only reinforces LOLC's dedication to sustainable finance but also enhances trust among investors and stakeholders by providing them with timely and pertinent updates regarding their investments.

Every annual report will be done by the Sustainability Management Department for sustainability committee to justify and recommend to Board of Directors for approval, ensuring its accuracy and compliance. Once approved, these reports will be accessible to the public on LOLC's official website (https://www.lolc.com.kh/).

LOLC's Allocation Report aims to provide comprehensive disclosure regarding the utilization of proceeds from LOLC's Sustainability Bond. The report will include the following information:

1. A brief description of categories of assets to which proceeds have been allocated and the total amount of proceeds allocated to such eligible loans,
2. The total amount of an issuance's unallocated proceeds, if any
3. Aggregated qualitative and quantitative indicators (when possible) related to the Eligible Loan Portfolio, such as:
    - Total volume of Green, Social, and Sustainability bonds issued
    - Total amount and number of Eligible Loans
    - Breakdown of Eligible Loans by category
    - Geographic distribution of Eligible Loans
    - Balance of unallocated proceeds, if applicable
    - Proportion of proceeds used for financing purposes.

5.2 Impact Reporting by LOLC

LOLC's impact report will include relevant Key Performance Indicators (KPIs) presented in aggregate form at the Eligible Category level for LOLC's Sustainability Bond. LOLC will provide expected and realized qualitative and, where feasible, quantitative environmental and social impact indicators of the assets to which the proceeds have been allocated. The impact report will be reviewed by an independent internal audit team and reported annually until the maturity of the bond.

LOLC's Treasury Department, Finance Department, Credit Department, and SMD are collectively responsible for producing the impact report. This report aims to enhance comparability and transparency by providing detailed information about the impact indicators, along with the methodologies and assumptions utilized for calculations.

5.2.1 Eligible Green Categories

Eligible Categories	Key Performance Indicators
Renewable Energy	• Estimated annual GHG emission saving (tCO2e) • Number of items financed
Energy Efficiency	• Estimated annual GHG emission saving (tCO2e) • Number of items financed
Clean Transportation	• Estimated annual GHG emission saving (tCO2e) • Number of electric vehicles financed

5.2.2 Eligible Social Categories

Eligible Categories	Key Performance Indicators
Employment Generation	• Estimated number of jobs created/hires • Number & average amount of the MSME loans
Socioeconomic Advancement and Empowerment	• Number of female farmers who are living in rural areas reached
Better housing condition	• Number of house renovation/improvements
Access to clean water, sanitation, and hygiene	• Number of clients access to better sanitation (latrine, water filter...) and better water connection (well, water irrigation...)
Financial Inclusion	• Number of loans reach to female low-income household living in rural areas

6. External Review

6.1 Second Party Opinion

LOLC ensures the transparency and strength of its Framework by subjecting it to verification and approval by an external second opinion by Moody's. This verification process confirms the alignment of the framework with the ASEAN's Sustainability Bond Standards and the ICMA's Sustainability Bond Guidelines. The Second Party Opinion obtained from Moody is made publicly available on LOLC's website, further promoting transparency and accountability in LOLC's sustainable finance practices.

6.2 Audit of the Allocation Report

LOLC ensures the integrity and compliance of its Sustainability Bond issued under this Framework by engaging an external auditor/provider. The external auditor/provider will conduct a verification process until the proceeds of issuance are fully allocated to eligible assets or invested in approved financial instruments. This verification includes assessing LOLC's adherence to defined approval procedures and confirming that an amount equivalent to the net proceeds of the Sustainability Bond has been appropriately allocated to Eligible Loans specified in the Framework.

6.3 Enhancing Transparency and External Review

Future iterations of the Framework will incorporate any potential changes to the ICMA Sustainability Bond Guidelines (SBG), ICMA Green Bond Principles (GBP) and Social Bond Principles (SBP) or developments related to the ASEAN's Sustainability Bond Standards (ASUS), which combines the ASEAN Green Bond Standards (AGBS) and the ASEAN Social Bond Standard (ASBS). These revisions will aim to maintain or enhance the existing levels of transparency and reporting, while also introducing provisions for external review by an eligible or accredited entity adhering to the prevailing principles or standards in place.

Annex I: E&S Risk Assessment Form

Checklist	Answers			Score
Total Asset	☐. (Score 1) xxx ≤ $200,000;	☐. (Score 2) $200,000 < xxx ≤ $300,000;	☐. (Score 3) $300,000 < xxx;	
Loan Amount	☐. (Score 1) xxx ≤ $50,000;	☐. (Score 2) $50,000 < xxx ≤ $100,000;	☐. (Score 3) $100,000 < xxx;	
Business Risk Categories	☐. (Score 1): Trade; Other Service; Other Production; Agriculture, Forestry and Fishery (Farming, livestock, other)			
	☐. (Score 2): Service (Car repair and maintenance services; Film processing facilities/Printing services); Agriculture, Forestry and Fishery (Farming, livestock, other > EUR, USD 10,000; Fishery); Production (Brick-making, Ceramics/Pottery glazing/Enamelling, Glass manufacturing/blowing, Metal working/forging, Plastic product production (no chemical processing involved), Processing of food, beverages, Pulp and paper products, Textile production (cutting, sewing) with dyeing;			
	☐. (Score 3): Service (Laundry services with dry-cleaning; Waste and water management); Production (Chemical industries involving chemical processing; Leather production with tanning; Raw materials extraction; Charcoal making); Agriculture, Forestry and Fishery (Forestry/Wood production/Clearing forest)			
Average Score of client risk level (total score divided by 3)				
Knowledge Level	☐. (Score 1) No Knowledge;	☐. (Score 2) Basic Knowledge;	☐. (Score 3) Extensive Knowledge	
Willingness To Take Action	☐. (Score 1) None;	☐. (Score 2) Defensive Attitude;	☐. (Score 3) Pro-active Attitude	
E& S Management	☐. (Score 1) No Measure Taken;	☐. (Score 2) Basic Mitigation Measure Taken;	☐. (Score 3) Extensive Action Plan	
Average Score of client risk management quality (total score divided by 3)				

☐Low	A = 1.67& B = 1	A = 2&B = 1	A = 2.33&B = 1	A = 2.33&B = 1.33	A = 3&B = 1	A = 3&B = 1.33	A = 2.67&B = 1	A = 2.67&B = 1.33
☐Medium	A = 1&B = 1	A = 1&B = 1.33	A = 1&B = 1.67	A = 1.33&B = 1	A = 1.33&B = 1.33	A = 1.33&B = 1.67	A = 1.33&B = 2	A = 1.33&B = 2.33
	A = 1.67&B =	A = 1.67&B = 1.67	A = 1.67&B = 2	A = 1.67&B = 2.33	A = 1.67&B = 3	A = 1.67&B = 2.67	A = 2&B = 1.33	A = 2&B = 1.67
	A = 2&B = 2	A = 2&B = 2.33	A = 2&B = 3	A = 2&B = 2.67	A = 2.33&B = 1.67	A = 2.33&B = 2	A = 2.33&B = 2.33	A = 2.33&B = 3
	A = 2.33&B =	A = 3&B = 1.67	A = 3&B = 2	A = 3&B = 2.33	A = 3&B = 3	A = 3&B = 2.67	A = 2.67&B = 1.67	A = 2.67&B = 2
	A = 2.67&B =	A = 2.67&B = 3	A = 2.67&B = 2.67					
☐High	A = 1&B = 2	A = 1&B = 2.33	A = 1&B = 3	A = 1&B = 2.67	A = 1.33&B = 3	A = 1.33&B = 2.67		

First Visit	Date: ...../...../.....			
Environment [E]	**Environment and Health and Safety [E] [H&S]**	**Health and Safety [H&S]**	**Labor [L]**	**Health and Safety and Labor [H&S] [L]**
☐. Yes ☐. No ☐. N/a	☐. Yes ☐. No ☐. N/a	☐. Yes ☐. No ☐. N/a	☐. Yes ☐. No ☐. N/a	☐. Yes ☐. No ☐. N/a
Number of risks:	Number of risks:	Number of risks:	Number of risks:	Number of risks: .....
Improvements/ Overall comment:				

First Follow up for Medium and high-risk clients	Date: ...../...../.....			
Environment [E]	**Environment and Health and Safety [E] [H&S]**	**Health and Safety [H&S]**	**Labor [L]**	**Health and Safety and Labor [H&S] [L]**
☐. Yes ☐. No ☐. N/a	☐. Yes ☐. No ☐. N/a	☐. Yes ☐. No ☐. N/a	☐. Yes ☐. No ☐. N/a	☐. Yes ☐. No ☐. N/a
Number of risks:	Number of risks:	Number of risks:	Number of risks:	Number of risks: .....
Improvements/ Overall comment:				
Second Follow up for Medium and high risk clients	Date: ...../...../.....			
Environment [E]	**Environment and Health and Safety [E] [H&S]**	**Health and Safety [H&S]**	**Labor [L]**	**Health and Safety and Labor [H&S] [L]**
☐. Yes ☐. No ☐. N/a	☐. Yes ☐. No ☐. N/a	☐. Yes ☐. No ☐. N/a	☐. Yes ☐. No ☐. N/a	☐. Yes ☐. No ☐. N/a
Number of risks:	Number of risks:	Number of risks:	Number of risks:	Number of risks: .....
Improvements/ Overall comment:				

Review of Environmental Assessment			
The following personnel must certify that the information has been collected correctly and approve or reject the loan application, based on the E&S Policy.			
☐ 1. Credit Officer prepares and collected correctly ☐ Recommend ☐ Not Recommend	Comment (if applicable):	Name: Signature:	Date: ...../..../....
☐ 2. Head Credit Officer/ Branch Manager verification ☐ Recommend ☐ Not Recommend	Comment (if applicable):	Name: Signature:	Date: ..../..../....
☐ 3. Head of Credit Management ☐ Branch Manager ☐ Approval ☐ Rejection	Comment (if applicable):	Name: Signature:	Date: ..../..../....

ASSESSMENT
10 October 2025

Send Your Feedback

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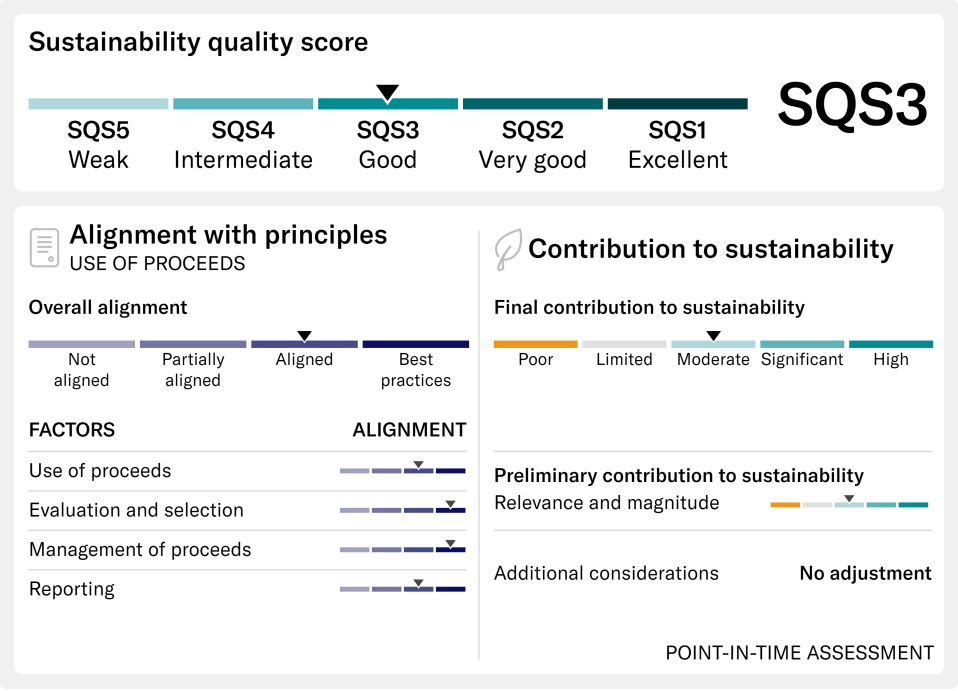
LOLC (Cambodia) Plc.

Second Party Opinion – Sustainability Bond Framework Assigned SQS3 Sustainability Quality Score

Summary

We have assigned an SQS3 Sustainability Quality Score (good) to LOLC (Cambodia) Plc's (LOLC's) sustainability bond framework dated October 2025. LOLC has established its use-of-proceeds framework to finance three eligible green categories and five eligible social categories. LOLC has described the main characteristics of the sustainable financing instruments within a formalised financing framework that is aligned with the four core components of the International Capital Market Association's (ICMA) Green Bond Principles (GBP) 2025, Social Bond Principles (SBP) 2025 and Sustainability Bond Guidelines 2021. The framework demonstrates a moderate contribution to sustainability. In addition, the framework is aligned with the ASEAN Sustainability Bond Standards 2018, as detailed in Appendix 4 to this report.



Scope

We have provided a Second Party Opinion (SPO) on the sustainability credentials of LOLC's sustainability bond framework, including the framework's alignment with the ICMA's GBP 2025, SBP 2025 and Sustainability Bond Guidelines 2021. Under its framework, the company plans to finance projects in three green categories and five social categories, as outlined in Appendix 3 of this report. We have also provided a supplementary opinion on the framework's alignment with the ASEAN Sustainability Bond Standards 2018 (ASEAN SUS) developed by the ASEAN Capital Markets Forum. We performed a full review of the framework in the context of the ASEAN GBS and ASEAN SBS, as set out therein. The assessment is solely based on information provided by the issuer. Our supplementary opinion does not constitute a verification, certification or audit, is distinct from the Alignment with Principles Score, has no influence on the expressed Sustainability Quality Score and does not express an opinion on any financial instrument's compliance with Shari'ah law.

Our assessment is based on the last updated version of the framework received on 9 October 2025, and our opinion reflects our point-in-time assessment[1] of the details contained in this version of the framework, as well as other public and non-public information provided by the company.

We produced this SPO based on our Assessment Framework: Second Party Opinions on Sustainable Debt, published in March 2025.

Issuer profile

LOLC (Cambodia) Plc. (LOLC) is a deposit-taking microfinance institution in Cambodia engaging in both lending and savings services. The company primarily serves customers in rural regions of the country, which are traditionally underserved by the banking sector. In 2023, LOLC was the second largest microfinance institution in Cambodia, with total assets amounting to $1.6 billion. LOLC operates 83 branches across Cambodia, with a presence in each of the country's 25 provinces.

The company's financial products include lending targeted towards micro businesses and low-income families. Microfinance institutions face material exposure to social risks driven by the vulnerability of their client base, including overindebtedness of borrowers, which can have severe implications on the welfare of these borrowers and exacerbate the vulnerability of already marginalised groups. LOLC has taken steps to address this risk. Further analysis can be found in the "Contribution to sustainability" and "Additional contribution to sustainability considerations" sections.

Strengths

» Eligible loans target vulnerable groups which lack access to formal financial services

» Commitment to commission an independent audit of the tracking and allocation of funds by a qualified third-party reviewer

» Transparent project selection and evaluation process, including continued monitoring of the eligibility of loans throughout the life of the bond, which involves on-site visits to borrowers

Challenges

» Affordability of loans for low-income individuals in particular may be challenging and LOLC does not have targeted measures on loan pricing to support adequate loan repayment capacity of this group, although its interest rates and fees charged are generally in line with its microfinance lending peers

» Financing of internal combustion engine vehicles under the energy efficiency category will give rise to substantial carbon lock-in despite the required reduction in emissions intensity

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the issuer/deal page on https://ratings.moodys.com for the most updated credit rating action information and rating history.

Alignment with principles

LOLC's sustainable finance framework is aligned with the four core components of the ICMA's GBP 2025, SBP 2025 and Sustainability Bond Guidelines 2021. For a summary alignment with principles scorecard, please see Appendix 1. Additionally, the framework is aligned with the ASEAN SUS, as detailed in Appendix 4 to this report.

- ☑ Green Bond Principles (GBP)
- ☑ Social Bond Principles (SBP)
- ○ Sustainability-Linked Bond Principles (SLBP)
- ○ Green Loan Principles (GLP)
- ○ Social Loan Principles (SLP)
- ○ Sustainability Linked Loan Principles (SLLP)

Use of proceeds

Clarity of the eligible categories – BEST PRACTICES

LOLC has clearly communicated the nature of the expenditures and the exclusion criteria for the eligible categories. The eligibility criteria for all project categories have been defined, including the target populations for the employment generation, socioeconomic advancement and empowerment, and financial inclusion categories. The company has identified the location of eligible projects to be within Cambodia.

Clarity of the environmental or social objectives – ALIGNED

LOLC has defined the environmental and social (E&S) objectives associated with the eligible categories, which are considered relevant and coherent for most eligible projects. Further analysis can be found in the "Contribution to sustainability" section. The company has referenced the United Nations' (UN) Sustainable Development Goals (SDGs) in articulating the objectives of the eligible categories, and the objectives are coherent with these recognized international standards.

Clarity of expected benefits – ALIGNED

LOLC has identified relevant expected E&S benefits for most of the eligible categories. However, the expected environmental benefits of eligible projects under the energy efficiency category are considered partially relevant. Further analysis can be found in the "Contribution to sustainability" section. The benefits identified are measurable and will be quantified in the impact reporting. The company has communicated to us that proceeds will be used to finance new loans only and will not be used for refinancing.

Process for project evaluation and selection

Transparency and clarity of the process for defining and monitoring eligible projects – BEST PRACTICES

LOLC's decision-making process for the selection and evaluation of projects is structured and outlined in its framework, which will be publicly available. The selection of eligible green and social projects will be performed by a dedicated sustainable bond working team, which includes the deputy CEO, head of treasury department and head of sustainability management department (HSMD). The team is coordinated by the sustainability management department with the oversight of the deputy CEO. After the initial selection of eligible projects by the credit department, the HSMD reviews and recommends eligible projects to the CEO for approval. All projects undergo independent evaluation to assess E&S risks, before being selected. This includes E&S assessments for all loans to determine their E&S risk classification, checking that projects comply with relevant national E&S laws and regulations, conducting site visits and requiring that borrowers commit to adhering to all national regulations on environmental, social, labour, occupational health and safety policies.

LOLC has confirmed that in the event a loan no longer fulfills the eligibility criteria, or in rare cases of postponement or divestment, the company will replace the loan with an eligible one. An overview of LOLC's E&S risk management process is disclosed in the framework.

Management of proceeds

Allocation and tracking of proceeds – BEST PRACTICES

LOLC has defined a clear process for the management and allocation of proceeds in its framework, which will be publicly available on the company's website. LOLC has shared that net proceeds will be placed in general treasury and tracked in an off-balance sheet general ledger account to ensure that proceeds are used for the eligible projects in the framework. The company has communicated to us that tracking will be done monthly to match allocations to eligible projects. Proceeds will be allocated within 24 months from issuance and LOLC has shared that temporarily unallocated proceeds will be held as cash.

Reporting

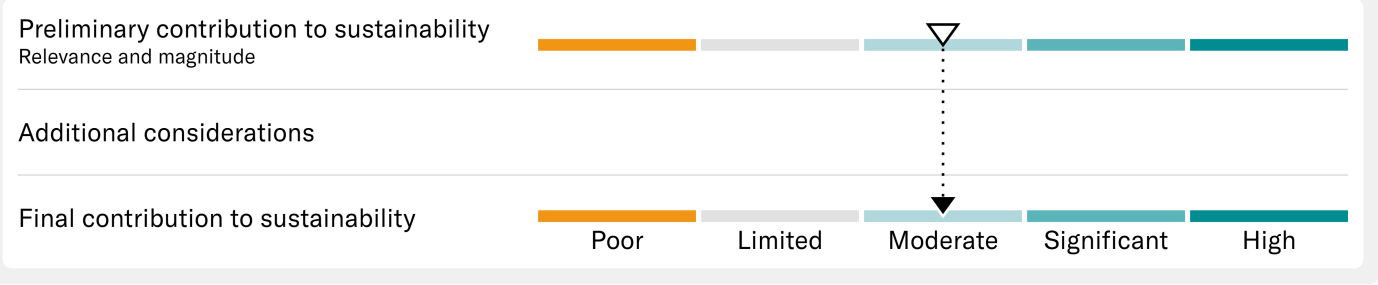
Reporting transparency – ALIGNED

LOLC has confirmed that it will report annually on the use of proceeds under its framework and the reporting will be made publicly available on the company's website. Allocation reporting will be conducted until the full allocation of the net proceeds and on a timely basis in case of material developments, and impact reporting will be conducted until bond maturity. The reporting will cover a brief description of the eligible categories to which proceeds have been allocated, the amount allocated at category level, the balance of unallocated proceeds and the aggregate impact at the category level. LOLC has identified relevant E&S reporting indicators for the eligible categories, and has clearly disclosed these indicators in its framework. For the employment generation category, LOLC has shared that it will report a default number of two jobs created for each eligible loan, which could lead to an over or underreporting of the number of jobs created. However, according to the company, in the majority of cases, at least two individuals — typically spouses — participate in the business. The calculation methodologies and key assumptions used to report on environmental and social impacts will be disclosed in the impact reporting.

LOLC has committed to an annual independent verification of the tracking and allocation of proceeds to eligible projects, at least until full allocation of proceeds and in case of material changes. The company will not, however, obtain an independent external review of its impact reporting.

Contribution to sustainability

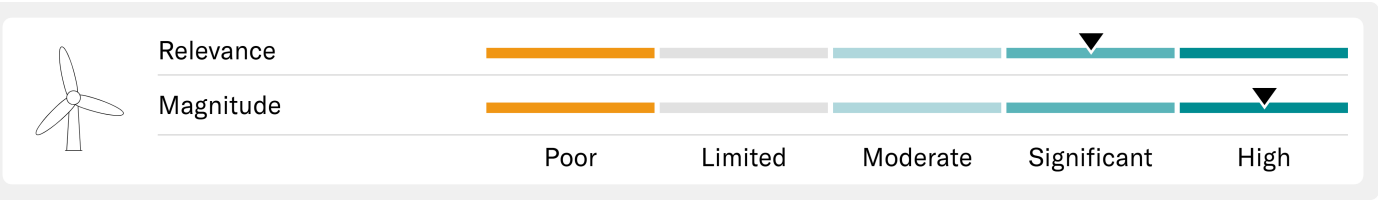
The framework demonstrates a moderate overall contribution to sustainability. This reflects a preliminary contribution to sustainability score of moderate, based on the relevance and magnitude of the eligible project categories, and we have not made an adjustment to the preliminary score based on additional contribution to sustainability considerations.



Preliminary contribution to sustainability

The preliminary contribution to sustainability is moderate, based on the relevance and magnitude of the eligible project categories. We have weighted the eligible categories based on LOLC's historical loan disbursements, as provided by the company, to assess the preliminary contribution to sustainability. In line with this, we have assigned the highest weights to the employment generation and socioeconomic advancement and empowerment categories. A detailed assessment by eligible category has been provided below.

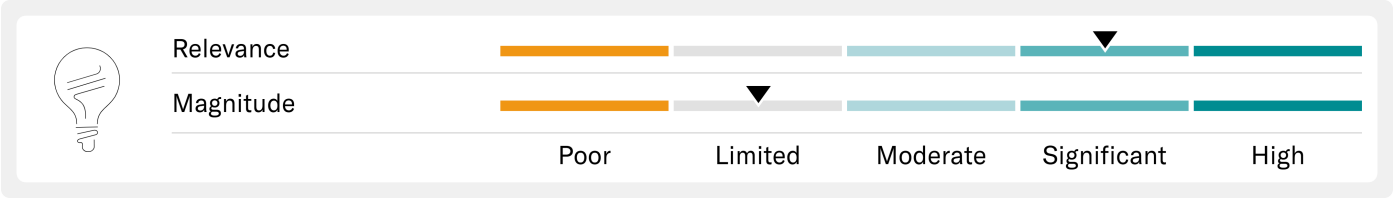
Renewable energy



Financing solar power projects is relevant to addressing climate change mitigation in Cambodia as fossil fuels constitute a significant portion of the country's energy mix. While Cambodia's proportion of renewable energy usage for electricity generation is relatively high compared to the Southeast Asia region — 58% powered by hydropower and 7% by solar in 2022[2] — its electrification rate is low, resulting in usage of wood and agricultural by-products for functions such as cooking and lighting. Solar power projects at the household- and business-level will support the increase of renewable energy usage and could promote cleaner energy production compared to the use of biomass. The provision of access to green products is one of LOLC's ESG key performance indicators for which it sets annual targets. However, LOLC's business is largely focused on micro, small and medium enterprises (MSME) lending, which makes up the majority of its loan portfolio. This is in line with the primary objective of microfinance to provide financing to borrowers which supports them in improving their income generation capacity and promotes self-sufficiency, considering the customer segment served.

We expect the projects under this category to have a highly positive long-term impact on supporting climate change mitigation by directly avoiding greenhouse gas (GHG) emissions in energy production. The company has confirmed that projects will be limited to solar technologies such as solar-powered water pumps and solar panels. Solar power is one of the best available renewable energy technologies in line with international taxonomies. Given the nature of LOLC's business, the projects are likely to be small-scale with limited negative E&S externalities and no carbon lock-in effects.

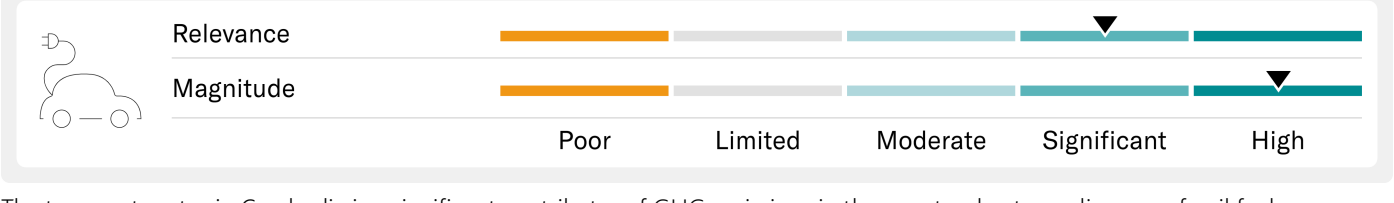
Energy efficiency



Energy efficiency is a key lever for Cambodia to reduce its GHG emissions, with the country targeting a 19% reduction in energy consumption by 2030 through achieving improvements in energy efficiency[3]. Cambodia's National Energy Efficiency Policy (2022-2030)[4] (NEEP) highlights policy initiatives targeting the country's primary energy-consuming sectors. Under the policy, the transport sector target incorporates the adoption of more stringent fuel efficiency standards for internal combustion engine vehicles, aiming to address the rapid increase in the number of road transport vehicles in the country, a majority of which are secondhand and have poor fuel and emissions efficiency. Cambodia's NEEP also identifies households as a key energy consumer, listing energy efficient household appliances and stoves amongst the focus areas for improving energy efficiency in households. As described under the previous category, while the provision of access to green products is one of LOLC's ESG key performance indicators, the focus of LOLC's business is largely MSME lending. This is in line with the primary objective of microfinance to provide financing to borrowers which empowers them to improve their income generation capacity and promotes self-sufficiency.

We expect the projects under this category to have an overall limited impact on climate change mitigation. According to LOLC, eligible loans can be used to finance internal combustion engine vehicles (including hybrid vehicles) or equipment, which achieve a minimum 20% reduction in energy consumption or CO_2 emissions. Emissions reductions for vehicles will be determined by the Global Climate Partnership Fund's assessment by vehicle type. LOLC has confirmed that a majority of the proceeds under this category will be allocated to financing liquefied petroleum gas (LPG)-powered three-wheelers and hybrid vehicles. In Cambodia, three-wheelers are primarily used as taxis. In rural areas, taxis could support a reduction in the use of personal vehicles, as public transportation is limited and personal vehicles are often used for transportation. LPG-powered vehicles could also provide improved CO_2 emissions and NOx emissions performance compared to petrol-powered vehicles, including traditional taxis (tuk tuks). For hybrid vehicles, the eligible emissions threshold and phase-out timeline have not been defined. The lack of criteria leads to limited visibility into the carbon intensity reduction achieved by financed hybrid vehicles over conventional internal combustion engine vehicles. Nonetheless, increasing the use of hybrid vehicles is an important lever in reducing transportation emissions in Cambodia given the nascent state of the electric vehicle market and the inadequacy of charging infrastructure. While LPG-powered three wheelers and hybrid vehicles can support greater emissions efficiency — especially considering the prevalent use of less fuel-efficient secondhand vehicles in the country — the projects contribute to substantial carbon lock-in and there are more effective clean transportation alternatives available, such as electric vehicles. Additionally, the financing of certain types of equipment may also result in lock-in of fossil fuel technologies, such as the financing of diesel-powered tractors.

Clean transportation

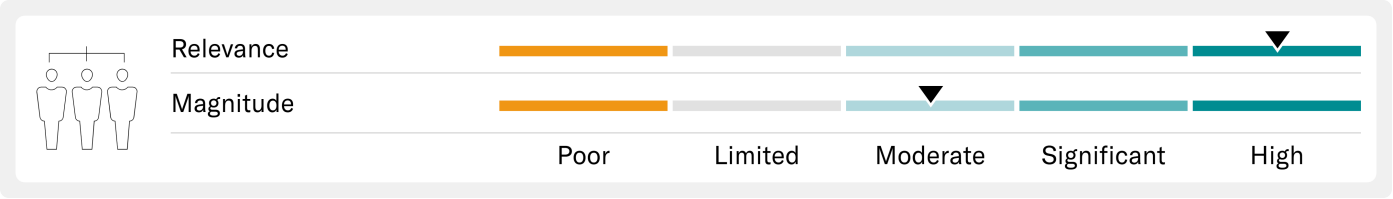


The transport sector in Cambodia is a significant contributor of GHG emissions in the country due to a reliance on fossil fuels. The sector accounted for more than 28% of Cambodia's total final energy consumption in 2019[5], indicating that transitioning to lower emissions alternatives could materially lower GHG emissions and improve air quality. To facilitate this shift, the Cambodian government has implemented measures to promote the use of electric vehicles, including lowering import duties on electric vehicles and developing the National Policy on the Development of Electric Vehicles 2024-2030, which aims to significantly expand the usage of electric vehicles in the country by 2030. As described under the previous category, while the provision of access to green products is one of LOLC's ESG key performance indicators, LOLC's business is largely focused on MSME lending. This is in line with the primary

objective of microfinance to provide financing to borrowers which supports them in improving their income generation capacity and promotes self-sufficiency.

We expect the financing of electric vehicles to have a highly positive long-term environmental impact with no lock-in effects. LOLC has confirmed that only electric vehicles will be financed under this category. Fully electrified vehicles are considered best-in-class technology, with zero tailpipe emissions. As a significant portion of electricity production in Cambodia is powered by fossil fuels, the short-term impact of electric vehicles on GHG emissions reduction will be moderate. However, as decarbonisation of the grid progresses, electrified transportation modes will have a greater positive environmental impact.

Employment generation



MSME financing, which is LOLC's core business, is highly relevant to a microfinance institution and can enhance financial access for business expansion. Microfinance institutions in Cambodia primarily offer products to customers in rural areas undertaking micro and small-scale transactions, which is a segment underserved by banks. MSMEs play a key role in Cambodia's economy, comprising over 99% of all enterprises and providing around 70% of total employment[6]. However, most Cambodian MSMEs are informal entities, which limits their access to formal financial services, with less than 20% of unregistered enterprises obtaining credit from a financial institution[7].

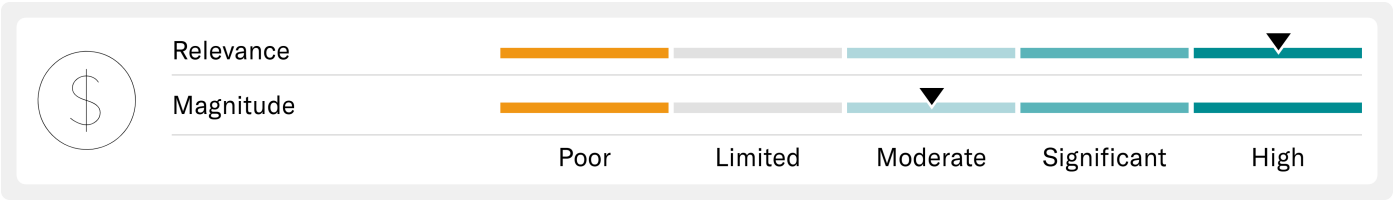
We consider eligible loans in this category to have a moderately positive impact on extending the availability of MSME loans to the most underserved groups to support employment generation. Based on the MSME classification used by the company, which is aligned with the government definition, we expect that a majority of the businesses obtaining eligible loans under this category will be small businesses. While LOLC's core business of providing smaller loans to rural customers ensures that more vulnerable populations are served, eligible loans are not targeting the most marginalised groups, such as micro businesses. However, we expect that LOLC will finance loans to micro businesses under the financial inclusion category.

Based on LOLC's historical disbursements, we expect that financed businesses will largely involve agriculture, and retail and services such as selling grocery products and motorcycle repairs. Agricultural activities in particular, could have inherent negative externalities. As part of the loan application process, LOLC discusses E&S factors of the financed activities and makes recommendations to borrowers to improve environmental aspects of projects, and health and safety and labor conditions, which could help to manage some of the risks. For instance, for financing of agricultural activities, LOLC will advise borrowers on sustainable farming practices, including the use of organic fertilisers. LOLC has defined an exclusion list within its framework which does not allow lending for activities such as production or trade in tobacco, gambling, activities involving child labour, commercial logging or purchase of logging equipment and plantation projects requiring the removal of existing non-degraded natural forest. Following the loan disbursement, LOLC conducts a site visit at least once a year to ensure that loans are being used for the approved purpose.

Borrower overindebtedness is a highly material social risk for microfinance institutions given that it would exacerbate the vulnerability of already marginalised groups. To determine the appropriate loan size, period and repayment method for each potential customer, LOLC conducts a cashflow-based assessment that encompasses business income, household income, business expenses, household expenses, and repayments on existing loans, if any, to assess the customer's financing needs and their ability to repay. LOLC will also check borrowers' credit profiles with the national credit bureau, Credit Bureau Cambodia. The company has established guidelines for customers with multiple loans, including mandating a maximum of three loans per client. With regards to client support procedures in the event of borrower financial distress, LOLC complies with the central bank's directive on loan restructuring and provides defaulting borrowers with grace periods of up to six months as well as allowing write-offs under exceptional cases, such as the death of the primary earner and natural disasters impacting repayment capacity, although these are handled on a case-by-case basis. The company also offers microinsurance products for its clients, designed to assist with loan repayments in the event that the primary income earner becomes deceased, however, it is not mandatory.

Regulatory controls set by the National Bank of Cambodia — Cambodia's central bank — cap the interest rate for microfinance loans at 18% per annum. While this is higher than the average market rate for similar products offered by banks, this reflects the risk profile of the borrowers served by microfinance institutions. In line with other microfinance institutions, LOLC charges fees in addition to the interest, which could bring the total cost to the borrower above the interest rate cap. While the company has shared that its annual percentage rates (sum of interest rates and fees) are in line with its microfinance lending peers and are transparently communicated to customers along with effective interest rates and monthly loan repayment amounts, we expect that high out-of-pocket expenditure will be required of certain groups, especially the most vulnerable. Additionally, although LOLC offers in-class training on financial literacy and promotes financial education awareness to clients and non-clients, which can help reduce the risk of borrower overindebtedness, it is not mandated for clients.

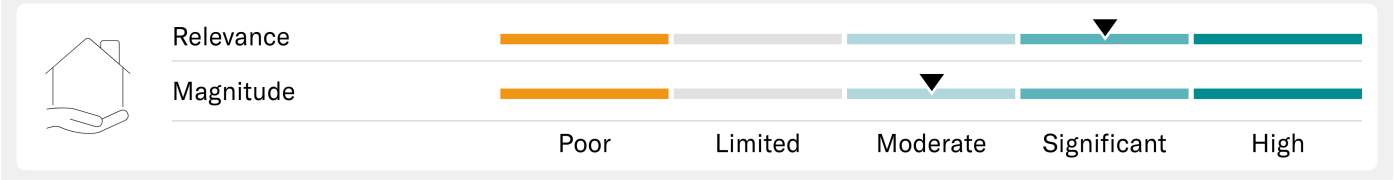
Socioeconomic advancement and empowerment



MSME financing to female smallholder farmers (those with not more than five hectares of land under their management) living in rural areas will be provided under this category and we consider the relevance to be high because of the reasons described above under the employment generation category.

We expect eligible loans under this category to have a moderately positive impact on extending the availability of MSME loans to the most underserved groups to support socioeconomic impacts, such as providing economic opportunities. The target population defined ensures that eligible loans target a vulnerable group. As described above under the employment generation category, LOLC has due diligence procedures in place during the loan application process and loan cycle to manage the risk of borrower overindebtedness, which is a highly material social risk for microfinance institutions given that it would exacerbate the vulnerability of already marginalised groups. To manage E&S risks from financed activities, the company has in place a controversial activities exclusion list which is defined in the framework, and an E&S risk management process for each loan which includes suggestions on improvements for clients on E&S factors, and continued monitoring. The company also has procedures in place to support clients in the event of borrower financial distress, including allowing write-offs under exceptional cases. Although LOLC adheres to the 18% interest rate cap set by the central bank, in line with other microfinance institutions, the company charges fees in addition to the interest, which could bring the total cost to the borrower above the interest rate cap. While the company has shared that its annual percentage rates (sum of interest rates and fees) are in line with its microfinance lending peers and are transparently communicated to customers along with effective interest rates and monthly loan repayment amounts, we expect that high out-of-pocket expenditure will be required of certain groups, especially the most vulnerable. Furthermore, although LOLC offers in-class training on financial literacy and promotes financial education awareness to clients and non-clients, which can help reduce the risk of client overindebtedness in the future, it is not mandated for clients.

Better housing condition

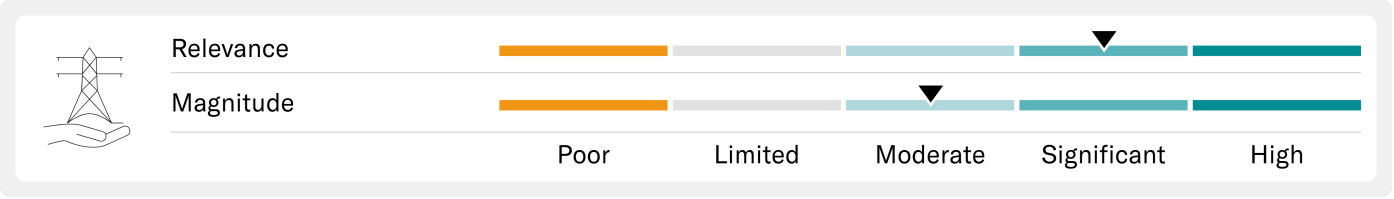


Obtaining affordable financing for housing in Cambodia is a challenge for low-income earners, particularly in the rural areas where 80% of the population resides. Affordability constraints can lead to the use of lower quality construction materials which are less durable (such as using timber over concrete) or the exclusion of certain essential features and utilities (such as adequate walls and electrical connection). Consequently, a signifiant number of houses in the country require critical upgrades to meet basic quality standards[8]. In rural areas in particular, most homes are constructed using wood and thatch. While the provision of access to better housing conditions

is one of LOLC's ESG key performance indicators, as described above under the green categories, LOLC's business is largely focused on MSME lending, in line with the primary objective of the microfinance sector to provide financing to borrowers which supports the improvement of their income generation capacity and promotes their self-sufficiency.

We consider the magnitude of this category to be moderate. Financing home improvements for LOLC's target population of rural customers could reduce households' exposure to harmful living conditions and enhance living standards for these vulnerable groups. Eligible uses for these loans cover a range of home repairs and enhancements, such as repairing roofs and windows, replacing support pillars and constructing additional rooms. LOLC's financial service advisors will conduct on-site checks at least once a year after loan disbursement, ensuring that loans are used for the approved purposes. The scope of potential uses for the loan is broad, which limits our visibility into the extent to which the projects can contribute to the stated social objective. Although, given the nature of LOLC's customer base, we expect that financed home improvements are likely to be essential, which will provide material long-term benefits for the borrowers. However, as described above under the employment generation category, while the company has shared that its annual percentage rates (sum of interest rates and fees) are in line with its microfinance lending peers and are transparently communicated to customers along with effective interest rates and monthly loan repayment amounts, we expect that high out-of-pocket expenditure will be required of certain groups, especially the most vulnerable.

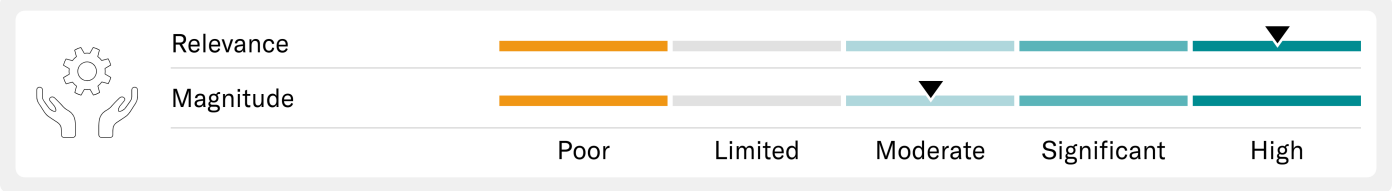
Access to clean water, sanitation, and hygiene



A significant proportion of Cambodia's population lacks access to safe water and household sanitation facilities, with affordable financing remaining a barrier for households to secure these essential services[9]. This issue disproportionately impacts rural communities. A third of the Cambodian population depends on drinking water sources that do not adequately protect against contamination with human waste, posing significant health hazards[10]. Although the provision of access to clean water, sanitation and hygiene is one of LOLC's ESG key performance indicators, as described under the previous category, LOLC's business is largely focused on MSME lending, in line with the primary objective of microfinance to provide financing to borrowers which supports the improvement of their income generation capacity and promotes their self-sufficiency.

We consider the magnitude of this category to be moderate. Loans under this category will provide borrowers with access to water supply, sanitation and hygiene facilities in their households, such as enabling the construction of toilets and wells, procurement of water filters and establishment of water connections. LOLC's financial service advisors will conduct on-site checks at least once a year after loan disbursement, ensuring that loans are used for the approved purposes. While we expect that the financed projects will generate a positive impact on improving access to clean water and sanitation at least over the medium-term, the eligible uses for the loan are broad and we have limited visibility into specific project details and technical thresholds for water quality and sewerage and sanitary works to fully evaluate the extent to which the projects can contribute to the stated social objective, as well as the potential E&S externalities associated with the projects. Additionally, as described above under the employment generation category, while the company has shared that its annual percentage rates (sum of interest rates and fees) are in line with its microfinance lending peers and are transparently communicated to customers along with effective interest rates and monthly loan repayment amounts, we expect that high out-of-pocket expenditure will be required of certain groups, especially the most vulnerable.

Financial inclusion



MSME financing to females living in rural areas will be provided under this category and we consider the relevance to be high because of the reasons described above under the employment generation category. Additionally, the provision of financing for low-income borrowers is one of LOLC's ESG key performance indicators and 66% of the company's total borrowers in 2023 were micro enterprises.

We expect eligible loans under this category to have a moderately positive impact on addressing the financial inclusion of the most underserved groups. While LOLC targets low-income households[11] under this category, eligible borrowers are not limited to this group and may not fall within the most underserved groups. However, we expect that the loan amount cap of $3,000 established for loans within this category will facilitate lending towards more underserved groups.

As described above under the employment generation category, LOLC has due diligence procedures in place during the loan application process and loan cycle to manage the risk of borrower overindebtedness, which is a highly material social risk for microfinance institutions given that it would exacerbate the vulnerability of already marginalised groups. To manage E&S risks from financed activities, the company has in place a controversial activities exclusion list which is defined in the framework, and an E&S risk management process for each loan which includes suggestions on improvements for clients on E&S factors, and continued monitoring. The company also has procedures in place to support clients in the event of borrower financial distress, including allowing write-offs under exceptional cases. Although LOLC adheres to the 18% interest rate cap set by the central bank, in line with other microfinance institutions, the company charges fees in addition to the interest, which would bring the total cost to the borrower above the interest rate cap for loans under this category. While the company has shared that its annual percentage rates (sum of interest rates and fees) are in line with its microfinance lending peers and are transparently communicated to customers along with effective interest rates and monthly loan repayment amounts, we expect that high out-of-pocket expenditure will be required of certain groups, especially the most vulnerable. Furthermore, although LOLC promotes financial literacy awareness, financial literacy training — which can help reduce the risk of borrower overindebtedness — is not mandated for clients, which is particularly important for borrowers under this category because they are likely to include low-income individuals.

Additional contribution to sustainability considerations

We have not made an adjustment to the preliminary contribution to sustainability score based on additional considerations.

LOLC has a due diligence process in place to identify and manage E&S risks associated with its loan products, with measures covering both the pre-approval and post-disbursement stages. This involves an on-site visit by LOLC's financial service advisers at the loan pre-approval stage to assess the potential borrower's ESG risk, as well as ongoing on-site checks on borrowers post-loan disbursement, at least annually, to ensure that they comply with the company's E&S risk management policies and relevant national E&S regulations. LOLC will also make recommendations to borrowers to improve environmental aspects of projects, health and safety, and labor conditions. The company has established an exclusion list and is committed to not financing activities such as commercial logging or purchase of logging equipment, plantation projects requiring the removal of existing non-degraded natural forest and activities involving child labour. In terms of social risk, client protection is a highly material social issue for the microfinance sector given that borrowers are typically from more vulnerable groups. LOLC applies the Client Protection Standards created by Cerise and SPTF, and received the highest level of certification in February 2022, which remains active as of 7 October 2025[12]. The standards require entities to have established measures that manage social risks which are material to microfinance institutions, including procedures to ensure responsible pricing, the prevention of overindebtedness, and fair and respectful treatment of clients. The National Bank of Cambodia regulates all microfinance institutions and supports the Cambodia Microfinance Association in setting regulations and guidelines to enhance responsible business practices and support consumer protection, such as on requirements around the handling of collateral and assessing borrower repayment capacity.

The framework is coherent with LOLC's core business activity and sustainability commitments to provide lending to borrowers in rural areas, households living below the poverty line, as well as provide access to green products.

Appendix 1 - Alignment with principles scorecard for LOLC's framework

Factor	Sub-factor	Component	Component score	Sub-factor score	Factor score
Use of proceeds	Clarity of the eligible categories	Nature of expenditure	A	Best practices	**Aligned**
		Definition of content, eligibility and exclusion criteria for nearly all categories	A		
		Location	A		
		BP: Definition of content, eligibility and exclusion criteria for all categories	Yes		
	Clarity of the objectives	Relevance of objectives to project categories for nearly all categories	A	Aligned	
		Coherence of project category objectives with standards for nearly all categories	A		
		BP: Objectives are defined, relevant and coherent for all categories	No		
	Clarity of expected benefits	Identification and relevance of expected benefits for nearly all categories	A	Aligned	
		Measurability of expected benefits for nearly all categories	A		
		BP: Relevant benefits are identified for all categories	No		
		BP: Benefits are measurable for all categories	Yes		
		BP: Disclosure of refinancing prior to issuance and in post-allocation reporting	Yes		
		BP: Commitment to communicate refinancing look-back period prior to issuance	Yes		
Process for project evaluation and selection	Transparency and clarity of the process for defining and monitoring eligible projects	Clarity of the process	A	Best practices	**Best practices**
		Disclosure of the process	A		
		Transparency of the environmental and social risk mitigation process	A		
		BP: Monitoring of continued project compliance	Yes		
Management of proceeds	Allocation and tracking of proceeds	Tracking of proceeds	A	Best practices	**Best practices**
		Periodic adjustment of proceeds to match allocations	A		
		Disclosure of the intended types of temporary placements of unallocated proceeds	A		
		BP: Disclosure of the proceeds management process	Yes		
		BP: Allocation period is 24 months or less	Yes		
Reporting	Reporting transparency	Reporting frequency	A	Aligned	**Aligned**
		Reporting duration	A		
		Report disclosure	A		
		Reporting exhaustivity	A		
		BP: Allocation reporting at least until full allocation of proceeds, and impact reporting until full bond maturity or loan payback	Yes		
		BP: Clarity and relevance of the indicators on the sustainability benefits	No		
		BP: Disclosure of reporting methodology and calculation assumptions	Yes		
		BP: Independent external auditor, or other third party, to verify the tracking and allocation of funds	Yes		
		BP: Independent impact assessment on environmental and social benefits	No		
			Overall alignment with principles score:		**Aligned**

Legend: BP - Best practice, A - Aligned, PA - Partially aligned, NA - Not aligned

Appendix 2 - Mapping eligible categories to the United Nations' Sustainable Development Goals

The eight eligible categories included in LOLC's framework are likely to contribute to seven of the United Nations' Sustainable Development Goals (SDGs), namely:

UN SDG 17 Goals	Eligible Category	SDG Targets
GOAL 1: No Poverty	*Access to clean water, sanitation, and hygiene; Better housing condition; Employment generation; Financial inclusion; Socioeconomic advancement and empowerment*	1.4: Ensure all have equal rights to economic resources, access to basic services, property ownership and finance
GOAL 5: Gender Equality	*Financial inclusion; Socioeconomic advancement and empowerment*	5.A: Establish women's equal rights to economic resources, access to ownership and control over property and financial services
GOAL 7: Affordable and Clean Energy	*Renewable energy*	7.1: Ensure universal access to affordable, reliable and modern energy services
	Energy efficiency	7.3: Double the global rate of improvement in energy efficiency
GOAL 9: Industry, Innovation and Infrastructure	*Employment generation; Socioeconomic advancement and empowerment*	9.3: Increase SMEs' access to finance, and their integration into value chains and markets, particularly in emerging markets
GOAL 10: Reduced Inequality	*Access to clean water, sanitation, and hygiene; Better housing condition; Employment generation; Financial inclusion; Socioeconomic advancement and empowerment*	10.2: Empower and promote the social, economic and political inclusion of all
GOAL 11: Sustainable Cities and Communities	*Better housing condition*	11.1: Ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums
GOAL 13: Climate Action	*Clean transportation; Energy efficiency; Renewable energy*	UN SDG 13 consists of taking urgent action to combat climate change and its impacts from operations and value chains. Financial institutions can contribute to this goal by financing projects which will reduce GHG emissions.

The UN SDGs mapping in this SPO considers the eligible project categories and associated sustainability objectives/benefits documented in the issuer's sustainability bond framework, as well as resources and guidelines from public institutions, such as the ICMA's SDG Mapping Guidance and the UN SDG targets and indicators.

Appendix 3 - Summary of eligible categories in LOLC's framework

Eligible Categories	Description	Sustainability Objectives	Impact Reporting Metrics
Renewable energy	With this category, LOLC aims to finance eligible Green Loans that pertain to renewable energy (solar energy) sourced from natural resources which are replenished on a human timescale.	Climate change mitigation	- Estimated annual GHG emission saving (tCO2e) - Number of items financed
Energy efficiency	Finance to eligible Green Loans related to the development and implementation of products or technologies that reduce energy consumption/CO2 emission.	Climate change mitigation	- Estimated annual GHG emission saving (tCO2e) - Number of items financed
Clean transportation	Finance to eligible Green Loans that relate to clean vehicles and clean transportation projects which refers to modes of transportation that produce minimal or no emissions of pollutants and greenhouse gases.	Climate change mitigation Pollution prevention and control	- Estimated annual GHG emission saving (tCO2e) - Number of electric vehicles financed
Employment generation	Within this category, LOLC aims to finance eligible micro, small and medium enterprises (MSMEs) which comply and meet the definition of Micro-, Small, and Medium-size enterprises with loan size more than USD 10,000. Those businesses create employed jobs and/or self-employed (entrepreneurs).	Employment generation	- Estimated number of jobs created/ hires - Number & average amount of the MSME loans
Socioeconomic advancement and empowerment	Under the Socioeconomic Advancement and Empowerment (Equal Opportunities) category, LOLC will finance the loans to underserved (women in rural areas) to expand their small agriculture activities with loan size more than USD 3,000 up to USD 10,000.	Socioeconomic advancement and empowerment	- Number of female farmers who are living in rural areas reached
Better housing condition	Within this category, LOLC aims to finance borrowers who need to have their existing houses fixed or renovated in order to get better living conditions.	Affordable housing	- Number of house renovation/improvements
Access to clean water, sanitation, and hygiene	Under the access to clean water, sanitation, and hygiene category, in this category, LOLC will finance a target population to improve their health and well-being, quality of life.	Affordable basic infrastructure	- Number of clients with access to better sanitation (latrine, water filter...) and better water connection (well, water irrigation...)
Financial inclusion	Within financial Inclusion category, LOLC will also finance loans to female clients living in rural areas who lack access to mainstream sources of finance particularly or incomes below the poverty line as per national definitions or their household's income eligible to access loan size up to USD 3,000.	Access to essential services	- Number of loans to female low-income household living in rural areas

Appendix 4 - Alignment with the ASEAN SUS

We have provided a supplementary opinion on the framework's alignment with the ASEAN SUS, as defined in the Scope section of this report. This Appendix covers requirements in the ASEAN SUS that extend beyond the requirements in ICMA's Green Bond Principles 2025 and Social Bond Principles 2025 (the "Requirements"). Commensurate requirements that exist in both the abovementioned ICMA principles and ASEAN standards have been assessed in the Alignment with Principles section of this report. As detailed in this Appendix, we consider the framework to align with the ASEAN SUS.

Issuer and issuance

» In line with the Requirements, the issuer is incorporated in an ASEAN member country and the bonds issued under this framework will originate from an ASEAN member country.

Use of proceeds

» In line with the Requirements, fossil fuel power generation projects and projects which involve activities that pose a negative social impact related to alcohol, gambling, tobacco and weaponry are excluded from financing under the framework.

Process for project evaluation and selection

» In line with the Requirements, the issuer confirms that the process for project evaluation, the use of proceeds and the external review report on the process will be made publicly available through a website designated by the issuer, at the time of issuance and throughout the tenure of the bonds.

Reporting

» In line with the Requirements, the issuer confirms that it will provide annual reporting on the use of proceeds until full allocation and the external review on the annual reporting to investors through a website designated by the issuer, throughout the tenure of the bonds issued under this framework.

Endnotes

1 Point-in-time assessment is applicable only on date of assignment or update.

2 Cambodia sources of electricity generation, International Energy Agency, 2022

3 National Energy Efficiency Policy, Cambodia National Committee on Energy Efficiency, May 2023

4 Ibid

5 Ibid

6 Supporting Micro-, Small and Medium-sized Enterprises (MSMEs) to Achieve the Sustainable Development Goals (SDGs) in Cambodia through Streamlining Business Registration Policies, United Nations Department of Economic and Social Affairs, July 2020

7 ADB and Cambodia Post Bank Sign $10 Million Loan to Improve Access to Finance for MSMEs in Cambodia, Asian Development Bank, 7 February 2023

8 Cambodia country profile, Habitat for Humanity, 2017

9 Cambodia's water and sanitation crisis, Water.org. Accessed on 8 October 2025

10 Cambodia - Water, Sanitation and Hygiene challenge, Unicef. Accessed on 8 October 2025

11 LOLC defines low-income households as those earning not more than $500 a month.

12 Institutions on the Client Protection Pathway, Cerise+SPTF, 7 October 2025. Accessed on 8 October 2025

Moody's assigns SPOs in alignment with the main tenets of the ICMA Guidelines for Green, Social, Sustainability and Sustainability-Linked Bonds External Reviews and the LSTA/LMA/APLMA Guidance for Green, Social and Sustainability-Linked Loans External Reviews, as applicable; Moody's practices may however diverge in some respects from the practices recommended in those documents. Moody's approach to assigning SPOs is described in its Assessment Framework, and is subject to the ethical and professional principles set forth in the Moody's Investors Service Code of Professional Conduct.

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REPORT NUMBER 1429359

V. CODE OF CONDUCT

1. Introduction on purpose of the Code

An employee's conduct both within and outside of the workplace will affect LOLC's professionalism and reputation. Therefore, all employees have to commit to LOLC's vision and mission and abide by LOLC's core values, code of conduct, Cambodian Labor Law, Anti-Corruption Law, and other applicable regulations. Employees are encouraged to discuss and clarify any sections with their direct supervisor.

2. LOLC Vision, Mission & Core Values

Vision: LOLC's vision is to be the most trusted provider of inclusive financial services in Cambodia.

Mission: LOLC Cambodia's mission is to create lasting positive impact on the communities it serves through the sustainable delivery of inclusive and client-centric financial services, while at the same time generating stakeholder value.

Core Values:

- **LOLC values client relationships**, our first priority is always to ensure that the clients are fully satisfied with our services.
- **LOLC values quality**, we will continue to provide efficient, effective and best quality services to our clients.
- **LOLC values integrity, fairness and honesty in all business dealings**, trust is the cornerstone of our business, and it will never be compromised.
- **LOLC values diversity and neutrality**, we serve poor people on the basis of need not ethnicity, religion or political affiliation.
- **LOLC values the vision of a balanced social and profit organizational agenda**, the balance ensures the future for our clients and for ourselves.
- **LOLC values discipline**, we believe in respecting the rules of the company, its stakeholders and the country.
- **LOLC values hard work**, we believe that our future is guaranteed through the maximum effort we give to our responsibilities.
- **LOLC values education**, we believe that it will provide the foundation for staff and client lifelong success.

3. Code of Conduct Committee

LOLC Executive Committee members will function as the Code of Conduct Committee, and the committee will oversee staff knowledge, understanding, implementation of code of conduct, and sanction for code violation.

4. Rules of Conduct

4.1 Employee rights:

Employees have the right to:

- Express their own views and provide feedback to LOLC.
- Receive feedback on job performance.
- Be protected from harassment.

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- Be protected from discrimination on the basis of ethnicity, gender, sexual orientation, religious beliefs, political opinion or disability.
- Report problems or unsatisfactory issues to the company to help or investigate the problems and to ensure issues are resolved fairly.
- Work in a healthy and safe environment. However, it is also staff responsibility to notify supervisor and the administrative/ risk department of any potential health, safety, and security risks that are identified.
- Request assistance from HR department or immediate supervisor in case of workplace accidents or injuries.

4.2 Behavior toward other employees

- Value life and uphold every person's rights.
- Observe courtesy and respect in dealing with others.
- Must not use abusive language. "Abusive" refers to verbal/ oral speech, which is characterized by bullying, criticizing, threatening, attacking on self-esteem, and undermining towards receptor.
- Must not use physical violence such as physical hitting, pushing, biting, punching, limit physical freedom and throwing things at someone, etc.
- Must not commit any form of general or sexual harassment towards other people. General harassment refers to any continued unwanted or annoying actions of one party towards others while sexual harassment refers to any unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature that tends to create a hostile or offensive work environment.
- No discrimination on the basis of race, color, religion, ethnic, age, gender, national origin, citizenship, disability, marital status, political tendency, union status, pregnancy, veteran status, genetic information, or any other characteristic protected by law.

4.3 Professional Conduct

- Work in a manner that is consistent with LOLC core values.
- Perform duties competently, faithfully, and diligently.
- Dress in LOLC uniform while working.
- Keep the office and premises clean and refrain from untidy habits.
- Punctual and secure approved office pass from supervisor when leaving the office premises during office hours whether on official or personal business.
- Obey safety and security rules and guidelines at all times. Whenever travelling by car or motorbike, wear seatbelts and helmet accordingly.
- Must carefully manage personal financial situations to avoid circumstances that could lead to financial embarrassment. If such a difficulty were to arise, the problem should be discussed with immediate manager.
- Comply with all LOLC rules and regulations, policies and procedures and generally with all the tasks given by supervisor.
- If a case arises where the tasks given oppose LOLC's interests or are illegal, staff should either make opinion known to supervisor or, if necessary, report this to the department head, Head of Human Resources Department or the CEO. Even though tasks should normally be followed at all times, in such extreme cases, staff are expected to act so as to protect LOLC's interests.
- Must comply with all Cambodian law, rules and regulations.
- Committed to saving energy and the environment such as the appropriate use of paper, electricity, and water.

- Employees are prohibited from engaging in money lending activities within LOLC, including tontines.
- Must not make false or misleading reports, illegally alter documents, or conceal information of benefit or cause potential harm to LOLC.
- Must not gamble, drink liquor within the office premises or while on official duty.
- Must not consume prohibited drugs or substance either during or outside office hours.
- Must not bring weapons or any item that is considered illegal under the law like prohibited drugs or substances into the premises of the LOLC or while on official LOLC business.
- Must not deliberately expose oneself to unnecessary harm or untoward occasions that could endanger staff while on duty.
- Must use technology and social media wisely to protect LOLC's reputation and must not post LOLC-related confidential information on social media. Please refer to IT Acceptable Use procedures for more details.

4.4 Fraud

- LOLC has a zero-tolerance for fraud. Cases of suspected fraud will be seriously investigated and if found to exist, those responsible will be subject to disciplinary action, which includes dismissal.
- Staff are required to report any cases of fraud or suspected fraud. This may be reported to either direct supervisor, Regional Manager, or Chief Executive Officer (CEO).

4.5 Conflict of Interest

Unless prior written approval of LOLC is granted, employees are not allowed to participate in any kind of paid activities outside LOLC including working in another company, doing freelance work for another company, participating as board of directors, or in the management of other companies.

A conflict of interest is deemed to exist in the following cases and employees shall not be involved in such activities.

a. The Service of Employee

- Participation in any business activity outside the institution demands excessive time and attention from the members of staff, thereby depriving LOLC of employees' best efforts on job.
- Engage directly or indirectly in any business activity that competes or conflicts with the LOLC's interest.
- If staff personal/ financial interests or those of his/her spouse or children conflict with the interest of LOLC, staff must declare such an interest to manager and disassociate from the activity where the conflict arises.

b. Purchasing assets from clients

- ***Client assets and collateral:*** staff, and their relatives, involved in the seizing process are prohibited from bidding process/ buying client collateral or assets. Information about the process and date of seizing client's collateral shall be kept confidential.
- ***Product and services:*** Staff are prohibited from buying a client's product/ service at a very cheap price (compared to the market price) in exchange for his/her service with LOLC.

4.6 Misuse of Position

- Must not misuse position for personal or third party's benefit.

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- Must not seek out or accept any loan or inducement of any kind in order to influence, assist in, or procure: the employment of any person(s) or awarding of the contract for the supply of goods or services. Any such offers should be reported to immediate manager.
- Must not solicit inducement, either directly or indirectly, whether in cash or in kind in order to provide any favors to a customer in the provision of loans, acceptance of deposits or any other business activity.

4.7 Use of LOLC's Facilities and Assets

- Do not use any of LOLC's computers, telecommunications, buildings, supplies or other assets/equipment on personal or third party's business.
- Do not access, reproduce, display, distribute, or store any materials that are sexually explicit, obscene, defamatory, harassing, illegal or otherwise inappropriate when using LOLC assets, or when performing the job, especially over the internet and by electronic materials.
- When asset is lost, LOLC will investigate theft or loss of its assets and take appropriate action.

4.8 "Back-scratching" Exercises

Staff are not allowed to engage in "back-scratching" (i.e. when staff agrees to do something or requests someone to do for him/her a favor in return for some present or future benefit).

4.9 Public Representation (Safeguarding the Company Reputation)

If LOLC wishes to make public statements, an officially delegated person will be nominated. Unless nominated, and with formal approval from the CEO, the employee is not allowed to make oral or written public statements about national, local, legal, or other matters as LOLC's representative. If the employee wishes to make such statements, he/she should make it clear that he/she is expressing his/her personal views, and not those of LOLC.

4.10 Confidentiality of Information

- Employees must take every precaution to protect the confidentiality of the company's information and its transactions. Breaching of confidentiality may also have **legal consequences** under Cambodian law.
- During employment with LOLC, or upon and after termination of employment, employees are not allowed to disclose any information about LOLC's business deals, negotiations, customers, correspondence, structure, guidelines, procedures, etc., to third party without written consent from LOLC or when law requires.
- Employees are strictly prohibited from accessing the accounts and personal files of other staff members.

4.11 Client rights: clients have the right to:

- Know and understand product terms and conditions and all costs before disbursement.
- Refuse to accept any product.
- Complain or ask questions about any service or product offered by LOLC.
- Receive the loan schedule and other important documents upon (or before) disbursement and official receipts during loan repayment.
- Receive fair and respectful treatment, no discrimination, from LOLC's staff.
- Expect LOLC to keep personal and financial information confidential.

4.12 Behavior toward clients

- Must not use abusive language.
- Must not use physical force.
- Must not limit physical freedom.
- Must not shout at the client or enter the client's home uninvited.
- Must not publicly humiliate the client.
- Must not violate the client's right to privacy.
- Must not discriminate against clients based on ethnicity, gender, sexual orientation, religious belief, political opinions, disability.
- Must not participate in corruption, kickbacks, and theft.
- Must not participate in sexual or moral harassment toward clients.

4.13 Collection practices

- Respect client fairly.
- Listen and analyze client's reason. All late repaid clients have reason, but not all his/her reason is reasonable; however, staff has to listen to client about his/her reason and note for discussion with team/ supervisor.
- Smile and friendly behavior.
- Being a solution partner to client. Staff shall behave in a manner that clients feel comfortable, easy to be accustomed to and build familiarity between clients and LOLC staff.
- Maintain relationship. Financial Sales Advisor shall inform client about how to contact LOLC to assist with his/her issues before complaining about LOLC to other people.
- Easy contact. LOLC staff, Financial Sales Advisors, and phone contact shall be able to contact and responsive.
- Build "Assistance and Negotiation" culture. When dealing with clients, especially late clients, financial sales advisor shall negotiate with client for solutions and advice.
- Do not implement the zero-tolerant PAR.
- Appreciate and acknowledge good repayment client.

4.14 Use of client data

- LOLC respects client's right to privacy. Before collecting information employees have to request consent and inform clients about how his/her information will be used. The purposes of collecting client information are:
    - To analyze client repayment capacity to the applied loan.
    - For LOLC marketing purposes such as photo, client story, or business impact etc.
- Employees must keep client information highly confidential and should not reveal client's information to third parties without the prior written consent of the clients, or when law requires.
- Employees should read out loud to the client the privacy clauses in the contract and privacy agreement before collecting client data and disbursement.

4.15 Behavior toward the community and the environment

LOLC evaluates and minimizes the potential negative effects of its activities, including impact on the environment (e.g., air, water, land), health and safety, and labor (e.g., child labor). Financial Sales Advisor shall assess the compliance of every loan with Cambodian environmental laws, exclusion lists, and child labor, health, safety, and other regulations.

5. Sanctions for Violations

This code of conduct forms part of the terms and conditions of employment and governs staff activities at LOLC. Staff are required to read, understand, sign, and abide by the code of conduct. Violations of this Code may result in disciplinary measures, including:

- Verbal or written warning
- Suspension
- Demotion or reassignment
- Termination of employment
- Legal action (if required).

Sanctions will depend on the severity of the violation and in line with HR disciplinary policy.

6. How to report Code of Conduct violations

LOLC employees and external stakeholders including contractors, agents, suppliers, clients, and others can report any violations of code of conduct (both verbal and written) via different channels including:

- Comment box at LOLC branch and Head office
- Complain face to face at LOLC branch or Head Office
- Call center number via 023 991 990
- E-complaint via: e-complaint@lolc.com.kh
- LOLC website: www.lolc.com.kh
- LOLC Facebook page (comment and messenger)
- In case complainants are not comfortable in raising directly to LOLC, they can call CMA and/or NBC hotline.

Note: The responding and timeline need to follow the Complaint Resolution of Consumer Manual.

If employees foresee any malpractices that fall into Whistleblowing, Grievance, or Harassment cases, they can report via the following procedures:

- Whistleblowing
- Grievance reporting procedures
- Harassment reporting procedures

Note: the responding and timeline need to follow the applicable procedure guideline.

7. Protection of Reporters

The Company will not tolerate retaliation or attempted retaliation by any person against anyone who in good faith reports a complaint or concern or provides information or assistance or otherwise helps to address a reported complaint or concern under this Policy and Procedures (including any governmental, regulatory or law enforcement policy).

Any retaliation against the reporter will result in disciplinary action which include warning and can lead to termination based on the level of severity of the action and align with the disciplinary action guideline.

8. Appeal

Any party who is not satisfied with the outcome or action proposed may appeal against the decision to the CEO within five days of receipt of the outcome. The Chief Executive Officer will assign an independent committee to hear the appeal. The appeal should be completed within one month.

9. Updating and providing feedback on the Code of Conduct

It is important that staff can identify and escalate potential issues before they lead to problems. When in doubt, staff shall ask questions from the Code of Conduct Committee about the potential application of the code of conduct or if faced with a situation when implementing the code of conduct is challenging.

10. Training & Awareness

- All staff must receive training in this Code during onboarding and annual refreshers.
- Managers are responsible for reinforcing compliance in daily operations.
- Staff are encouraged to seek clarification from HR or the Code of Conduct Committee when in doubt.

យ៉ាន់តា (ខេមបូឌា)
Yuanta Securities (Cambodia)

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DEBT SECURITIES SUBSCRIPTION FORM

ព័ត៌មានអំពីមូលបត្រំណុល / DEBT SECURITIES INFORMATION

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The total number of debt securities offered to public are **2,000,000 units** of debt securities which par value per unit of debt securities is **KHR 100,000,** the offering price per unit of debt securities is **KHR 100,000** or **USD 25**, and the maturity is **5 years**.

ប្រភេទមូលបត្រំណុល Types of Debt Securities	អត្រាគូប៉ុងប្រចាំឆ្នាំ Coupon Rate	រូបិយប័ណ្ណទូទាត់ Settlement Currency	ចំនួនទឹកប្រាក់ហិរិសកម្មអប្បបរមា Minimum Subscription Amount
សញ្ញាបណ្ណសាជីវកម្មចីរភាព អិលអូអិលស៊ី មានបុគ្គលធានាទី១ LOLC Guaranteed Sustainability Corporate Bonds 1	5.75%	USD	USD 500,000
សញ្ញាបណ្ណសាជីវកម្មចីរភាព អិលអូអិលស៊ី មានបុគ្គលធានាទី២ LOLC Guaranteed Sustainability Corporate Bonds 2	5.75%	KHR	KHR 2,000,000,000
សញ្ញាបណ្ណសាជីវកម្មចីរភាព អិលអូអិលស៊ី ទី១ LOLC Sustainability Corporate Bonds 1	7.00%	USD	USD 10,000
សញ្ញាបណ្ណសាជីវកម្មចីរភាព អិលអូអិលស៊ី ទី២ LOLC Sustainability Corporate Bonds 2	7.00%	KHR	KHR 40,000,000

សម្រាប់សញ្ញាបណ្ណសាជីវកម្មចីរភាព អិលអូអិលស៊ី មានបុគ្គលធានាទី១ និង សញ្ញាបណ្ណសាជីវកម្មចីរភាព អិលអូអិលស៊ី មានបុគ្គលធានាទី២ ករណីការធ្វើបរិវិសកម្មមានចំនួនច្រើនជាងចំនួនអប្បបរមា ចំនួនទឹកប្រាក់បរិវិសកម្មបន្ថែមជាបន្តបន្ទាប់ត្រូវធ្វើឡើងជាពហុគុណនៃ ១០០.០០០ ដុល្លារអាមេរិក ឬ ៤០០.០០០.០០០ រៀល។

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For LOLC Guaranteed Sustainability Corporate Bonds 1 and LOLC Guaranteed Sustainability Corporate Bonds 2, if the subscription exceeds the minimum stated above, the subsequent incremental subscription amount shall be made in the multiple of USD 100,000 or KHR 400,000,000.

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The coupon and principal of each debt securities will be paid in the same currency as settlement currency during subscription.

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ក. វិនិយោគិនជារូបវន្តបុគ្គល:

A. For individual

គោត្តនាម (អក្សរខ្មែរ) _____ នាម (អក្សរខ្មែរ) _____ គោត្តនាម (អក្សរឡាតាំង) _____ នាម (អក្សរឡាតាំង) _____
First Name (Khmer) Last Name (Khmer) First Name (Latin) Last Name (Latin)

ថ្ងៃខែឆ្នាំកំណើត _____ លេខអត្តសញ្ញាណប័ណ្ណ ឬលិខិតឆ្លងដែន (សម្រាប់ជនបរទេស) _____ មានសុពលភាពរហូតដល់ថ្ងៃខែឆ្នាំ _____
Date of Birth Identification Card or Passport Number (for Foreigner) Valid until

លេខគណនីជួញដូរ _____ ឈ្មោះក្រុមហ៊ុនមូលបត្រ _____
Trading Account Number Securities Firm Name

អាសយដ្ឋានស្នាក់នៅបច្ចុប្បន្ន _____
Current Residence Address

លេខកូដប្រទេស និងទូរស័ព្ទដៃ [ ] [ ] អ៊ីមែល _____
Country Code & Mobile Phone Email

ខ. វិនិយោគិនជានីតិបុគ្គល:

B. For Legal Entity

១. ឈ្មោះក្រុមហ៊ុន (អក្សរខ្មែរ) _____ ឈ្មោះក្រុមហ៊ុន (អក្សរឡាតាំង) _____
Company Name (Khmer) Company Name (Latin)

លេខចុះបញ្ជីពាណិជ្ជកម្ម _____ លេខគណនីជួញដូរ _____ ឈ្មោះក្រុមហ៊ុនមូលបត្រ _____
Business Registration Number Trading Account Number Securities Firm Name

អាសយដ្ឋានបច្ចុប្បន្នរបស់ក្រុមហ៊ុន _____
Current Company Address

លេខកូដប្រទេស និងទូរស័ព្ទដៃ [ ] [ ] អ៊ីមែល _____
Country Code & Mobile Phone Email

២. គោត្តនាមអ្នកតំណាង (អក្សរខ្មែរ/ឡាតាំង) _____ នាមអ្នកតំណាង (អក្សរខ្មែរ/ឡាតាំង) _____
First Name of Representative (Khmer/Latin) Last Name of Representative (Khmer/Latin)

មុខតំណែង _____ លេខអត្តសញ្ញាណប័ណ្ណ ឬលិខិតឆ្លងដែន (សម្រាប់ជនបរទេស) _____ មានសុពលភាពរហូតដល់ថ្ងៃខែឆ្នាំ _____
Position Identification Card or Passport Number (for Foreigner) Valid until

អាសយដ្ឋានស្នាក់នៅបច្ចុប្បន្ន _____
Current Residence Address

លេខកូដប្រទេស និងទូរស័ព្ទដៃ [ ] [ ] អ៊ីមែល _____
Country Code & Mobile Phone Email

ព្រះរាជាណាចក្រកម្ពុជា
ក្រុមហ៊ុន
អិលអូអិលស៊ី (ខេមបូឌា) ភីអិលស៊ី
LOLC (CAMBODIA) Plc.
KINGDOM OF CAMBODIA

សំណើសុំធ្វើបរិវិសកម្ម / SUBSCRIPTION APPLICATION

ប្រភេទមូលបត្របំណុល Type of Debt Securities	អត្រាគូប៉ុងប្រចាំឆ្នាំ Coupon Rate	រូបិយប័ណ្ណទូទាត់ Settlement Currency	ថ្លៃលក់ក្នុងមួយឯកតា [ក] Price per Unit [A]	ចំនួនមូលបត្របំណុល [ខ] Number of Debt Securities [B]	ចំនួនទឹកប្រាក់សរុប [គ] Total Amount [C] [C = A x B]
សញ្ញាបណ្ណសាជីវកម្មចីរភាព អិលអូអិលស៊ី មានបុគ្គលធានាទី១ LOLC Guaranteed Sustainability Corporate Bonds 1	5.75%	USD	USD 25		USD
សញ្ញាបណ្ណសាជីវកម្មចីរភាព អិលអូអិលស៊ី មានបុគ្គលធានាទី២ LOLC Guaranteed Sustainability Corporate Bonds 2	5.75%	KHR	KHR 100,000		KHR
សញ្ញាបណ្ណសាជីវកម្មចីរភាព អិលអូអិលស៊ី ទី១ LOLC Sustainability Corporate Bonds 1	7.00%	USD	USD 25		USD
សញ្ញាបណ្ណសាជីវកម្មចីរភាព អិលអូអិលស៊ី ទី២ LOLC Sustainability Corporate Bonds 2	7.00%	KHR	KHR 100,000		KHR

ចំនួនទឹកប្រាក់សរុបរួម៖ Grand Total:	USD
	KHR
ចំនួនទឹកប្រាក់តម្កល់ជាក់ស្តែង៖ Actual Deposit:	USD
	KHR

ខ្ញុំបានតម្កល់ប្រាក់ ១០០ (មួយរយ) ភាគរយ សម្រាប់ទូទាត់មូលបត្របំណុលដែលខ្ញុំបានធ្វើបរិវិសកម្មខាងលើតាមមធ្យោបាយទូទាត់៖
I deposited 100% of the total amount due from subscription of debt securities through:

☐ ប្រាក់សុទ្ធ Cash ☐ គណនីជួញដូរ Trading Account ☐ មូលប្បទានបត្រ Cheque ☐ ផ្ទេរតាមធនាគារ Bank Transfer

សូមផ្ទេរមូលបត្របំណុលដែលបានបែងចែកមកឱ្យខ្ញុំ ចូលក្នុងគណនីជួញដូរមូលបត្ររបស់ខ្ញុំខាងលើ ស្របតាមបញ្ជីឈ្មោះអ្នកធ្វើបរិវិសកម្មបានជោគជ័យ ដែលគ្រប់គ្រង និងបញ្ជូនទៅប្រតិបត្តិការក្សាទុកមូលបត្រដោយភ្នាក់ងារបញ្ជិកាមូលបត្ររបស់ក្រុមហ៊ុនបោះផ្សាយគឺ ធនាគារ អេស៊ីលីដា ភីអិលស៊ី។
Please transfer the allotted debt securities to my trading account mentioned above according to the List of Successful Subscribers managed and submitted to Securities Depository Operator by the Issuer's Registrar, ACLEDA Bank Plc.

ព័ត៌មានពាក់ព័ន្ធនឹងការផ្ទេរប្រាក់កក់ / REFUND INFORMATION

ករណីខ្ញុំមិនទទួលបានមូលបត្របំណុលទៅតាមការស្នើសុំធ្វើបរិវិសកម្ម ខ្ញុំមានបំណងទទួលប្រាក់កក់បរិវិសកម្មដែលនៅសល់ (ដកចេញនូវរាល់ការចំណាយ ប្រសិនបើមាន) តាមរយៈមធ្យោបាយណាមួយខាងក្រោម៖
In case I do not receive the number of debt securities as I subscribed, I would like to receive the remaining Subscription Deposit (subtract all the expenses, if any) through the any of below methods:

☐ ផ្ទេរទៅគណនីជួញដូរ / Refund to Trading Account

☐ ផ្ទេរទៅគណនីធនាគារ៖ Refund to Bank Account
ឈ្មោះគណនី _____ លេខគណនី _____
Account Name Account No.
ឈ្មោះធនាគារ _____ លេខកូដ SWIFT _____
Bank Name Swift Code

* សម្គាល់៖ ម្ចាស់គណនី និងវិនិយោគិនដែលមិនទទួលបានជោគជ័យ ត្រូវតែជាបុគ្គលតែមួយ។ គណនីរួម មិនត្រូវបានអនុញ្ញាត។
* Note: The bank account owner and Unsuccessful Investor must be the same person. Joint Accounts are not allowed.

ឯកសារភ្ជាប់ / ATTACHED DOCUMENT

☐ វិក្កយបត្រតម្កល់ប្រាក់
Proof of Deposit

សេចក្តីថ្លែងរបស់អ្នកធ្វើបរិវិសកម្ម / SUBSCRIBER STATEMENT

នៅក្នុងការធ្វើបរិវិសកម្មមូលបត្របំណុលនេះ ខ្ញុំបានទទួលឯកសារផ្តល់ព័ត៌មានក្នុងទម្រង់ជា៖
In subscribing to the debt securities, I received the disclosure document in the form of:

☐ ច្បាប់ចម្លង Hard copy ☐ ឧបករណ៍ផ្ទុក Storage device ☐ អ៊ីមែលផ្ទុក Email storage ☐ តាមរយៈគេហទំព័រ Website _____ ឬ or ☐ ផ្សេងពីនេះ: Other _____

ការធ្វើបរិវិសកម្ម និងការទូទាត់ ត្រូវធ្វើឡើងដោយអ្នកធ្វើបរិវិសកម្មស្របតាមលក្ខខណ្ឌដែលមានចែងក្នុងឯកសារផ្តល់ព័ត៌មាន។ ខ្ញុំយល់ព្រមឱ្យក្រុមហ៊ុនបោះផ្សាយមានសិទ្ធិបដិសេធ ក្នុងករណីការស្នើសុំធ្វើបរិវិសកម្មរបស់ខ្ញុំមិនគោរពតាមលក្ខខណ្ឌបរិវិសកម្ម។ ខ្ញុំយល់ព្រមចិញ្ចឹមូលបត្របំណុលក្នុងចំនួនកំណត់ដូចខាងលើ ឬចំនួនមូលបត្របំណុលដែលក្រុមហ៊ុនបានបែងចែកមកឱ្យខ្ញុំ។ ខ្ញុំយល់ព្រមមិនលុបចោលការធ្វើបរិវិសកម្មរបស់ខ្ញុំទេ និងយល់ព្រមទទួលប្រាក់សងត្រឡប់មកវិញ ក្នុងករណីការធ្វើបរិវិសកម្មត្រូវបានបដិសេធ ឬការធ្វើបរិវិសកម្មរបស់ខ្ញុំមិនសម្រេចបានតាមការស្នើសុំទាំងអស់របស់ខ្ញុំ។ ខ្ញុំបានអានឯកសារផ្តល់ព័ត៌មានដោយម៉ត់ចត់មុនពេលធ្វើបរិវិសកម្ម និងយល់ព្រមដោយស្ម័គ្រចិត្តតាមលក្ខខណ្ឌនៃសំណើបោះផ្សាយលក់មូលបត្របំណុលដូចមានចែងនៅក្នុងឯកសារផ្តល់ព័ត៌មាន និងទទួលស្គាល់ថា ការវិនិយោគលើមូលបត្របំណុលមានហានិភ័យពាក់ព័ន្ធ។
The subscription and payment made by subscriber shall be in accordance with the conditions specified in the disclosure document. I agree and acknowledge that issuer shall be entitled to deny if my subscription does not comply with the subscription terms and conditions. I undertake to purchase the number of debt securities as stated above or the number of debt securities allotted to me. I shall not cancel my subscription and accept refund if the subscription is denied or not fully allotted. I read thoroughly the disclosure document before subscribing and voluntarily agree with the terms and conditions of the offering of debt securities as specified in the Disclosure Document and acknowledge that the investment in debt securities is risk associated.

វិនិយោគិន និងក្រុមហ៊ុនធានាទិញមូលបត្រ បានអាន យល់ច្បាស់ និងយល់ព្រមលើលក្ខខណ្ឌដែលបានចែងក្នុងសេវាបរិវិសកម្មដូចដែលមានភ្ជាប់មកជាមួយ។
The Investor and the Underwriter named herein have read, understood and agreed on the terms and conditions of the Subscription Service as attached hereto.

ហត្ថលេខា-ត្រា និងឈ្មោះអ្នកធ្វើបរិវិសកម្ម Signature-Seal and Name of Subscriber	ហត្ថលេខា និងឈ្មោះភ្នាក់ងារក្រុមហ៊ុនមូលបត្រ/ភ្នាក់ងារចែកចាយលក់ Signature and Name of Securities Representative/Selling Agent	ហត្ថលេខា ត្រា និងឈ្មោះប្រធានភ្នាក់ងារក្រុមហ៊ុនមូលបត្រ ឬអគ្គនាយកប្រតិបត្តិ Signature-Seal and Name of Head of Securities Representatives or CEO
_____	_____	_____

ក្រុមហ៊ុន អិលអូអិលស៊ី (ខេមបូឌា) ភីអិលស៊ី LOLC (CAMBODIA) Plc. KINGDOM OF CAMBODIA

* ក្រុមហ៊ុនធានាទិញមូលបត្រ ឬតំណាងភ្នាក់ងារលក់ត្រូវពន្យល់វិនិយោគិនអំពីខ្លឹមសារនៃសេវាបរិវិសកម្មដែលមានចែងដូចខាងក្រោមនេះ។
* The Underwriter or its authorized selling agents shall explain to the Investor the terms of the Subscription Service prescribed hereunder.
** វិនិយោគិនទទួលខុសត្រូវលើលទ្ធផល និងរាល់ហេតុការណ៍ទាំងឡាយដែលកើតឡើង ឬដែលអាចនឹងកើតឡើងពាក់ព័ន្ធនឹងការធ្វើបរិវិសកម្ម។ ក្រុមហ៊ុនធានាទិញមូលបត្រ និងតំណាងភ្នាក់ងារលក់មិនទទួលខុសត្រូវលើលទ្ធផល និងរាល់ហេតុការណ៍ទាំងនោះទេ។
** The Investor hereby assumes full responsibility for the outcome and all matters that arise or eventuate in connection with the Subscription. The Underwriter and its authorized selling agents do not and shall not take any responsibility with respect to such outcome or matters.

សេវាបរិវិសកម្ម
SUBSCRIPTION SERVICE

វិនិយោគិន និងក្រុមហ៊ុនធានាទិញមូលបត្របានអាន និងយល់ព្រមលើលក្ខខណ្ឌនៃសេវាបរិវិសកម្មដូចខាងក្រោម៖
The Investor and the Underwriter have hereby reviewed and agreed on the following terms and conditions of this Subscription Service.

១. លក្ខខណ្ឌទូទៅ / 1. GENERAL CONDITIONS

១.១ ការដាក់ពាក្យស្នើសុំត្រូវធ្វើលើពាក្យស្នើសុំដែលបានរៀបចំដោយក្រុមហ៊ុនមូលបត្រ យ៉ានតា (ខេមបូឌា) ម.ក («**ក្រុមហ៊ុនមូលបត្រ យ៉ានតា**»)។
1.1 Application must be made on the application form that has been prepared by Yuanta Securities (Cambodia) Plc. ("**YSC**").

១.២ ពាក្យស្នើសុំត្រូវធ្វើឡើងដោយនីតិបុគ្គលដែលបានចុះបញ្ជី ឬរូបវន្តបុគ្គលដែលមានសមត្ថភាពតាមផ្លូវច្បាប់។ អនីតិជន ឬបុគ្គលដែលមានសតិមិនគ្រប់គ្រាន់មិនត្រូវបានចាត់ទុកថាមានសមត្ថភាពតាមផ្លូវច្បាប់ក្នុងគោលបំណងនៃការដាក់ពាក្យស្នើសុំនេះទេ។
1.2 Application must be made by a registered legal entity or an existing individual with legal capacity. For avoidance of any doubt, a minor or a person with unsound mind shall not be considered as having legal capacity for the purpose of this Application.

១.៣ ពាក្យស្នើសុំត្រូវបំពេញឲ្យបានពេញលេញ និងគោរពតាមលក្ខខណ្ឌតម្រូវដែលមាន។
1.3 Application must be complete and satisfy the requirements contained herein.

១.៤ បុគ្គលដាក់ពាក្យស្នើសុំត្រូវផ្តល់នូវ (១) ព័ត៌មានលម្អិតអំពីគណនីជួញដូរមូលបត្រដែលមាននៅក្រុមហ៊ុនមូលបត្រណាមួយដែលទទួលអាជ្ញាបណ្ណពី ន.ម.ក. (២) ព័ត៌មានលម្អិតអំពីគណនីធនាគារសម្រាប់ការផ្ទេរប្រាក់ត្រឡប់ទៅវិញ (ប្រសិនបើមាន) និង (៣) ឯកសារផ្សេងទៀតដែលស្នើសុំដោយក្រុមហ៊ុនមូលបត្រ យ៉ានតា ឬភ្នាក់ងារលក់របស់ក្រុមហ៊ុនមូលបត្រ យ៉ានតា នៅពេលដាក់ពាក្យស្នើសុំ ។
1.4 An applicant should provide its (1) details of the Trading Account at one of the securities firms licensed by the SERC, (2) details of a bank account for the purpose of receiving the refund (if any), and (3) any other documents requested by YSC or any one of its authorized selling agents at the time of submission of the Application.

១.៥ ពាក្យស្នើសុំដែលមានព័ត៌មានមិនពិត ឬមិនត្រឹមត្រូវនឹងត្រូវបានបដិសេធចោល ហើយបុគ្គលដាក់ពាក្យស្នើសុំអាចនឹងត្រូវពិន័យ ឬផ្តន្ទាទោសតាមច្បាប់ ដែលក្នុងករណីនេះ ក្រុមហ៊ុនមូលបត្រ យ៉ានតា មិនទទួលខុសត្រូវឡើយ។
1.5 Application containing false statement or incorrect information shall be rejected and the relevant applicant may be subject to penalties or prosecution under the applicable law for which YSC assumes or undertakes no responsibility.

១.៦ បុគ្គលដាក់ពាក្យស្នើសុំមិនអាចដាក់ពាក្យស្នើសុំលើសពីមួយទេ ហើយក្រុមហ៊ុនមូលបត្រ យ៉ានតា សូមរក្សាសិទ្ធិបដិសេធពាក្យស្នើសុំដែលដាក់ច្រើនដង ឬពាក្យស្នើសុំដែលសង្ស័យថាត្រូវបានដាក់ច្រើនដង។
1.6 An applicant cannot submit more than one application and YSC reserves the right to reject all multiple applications or those that are suspected as multiple applications in the opinion of YSC.

១.៧ នៅពេលដាក់ពាក្យស្នើសុំតាមរយៈអ្នកតំណាង ពាក្យស្នើសុំត្រូវតែភ្ជាប់ជាមួយនូវលិខិតផ្ទេរសិទ្ធិដែលមានសុពលភាព។
1.7 When applying through a representative or a proxy, the Application must be accompanied by a valid power of attorney or letter of proxy.

១.៨ ពាក្យស្នើសុំធ្វើបរិវិសកម្មរបស់វិនិយោគិនដែលបានដាក់មកក្រុមហ៊ុនមូលបត្រ យ៉ានតា រួចហើយ មិនអាចដក ឬលុបចោលវិញបានទេ។
1.8 Subscription Application Form that has been submitted to YSC cannot be withdrawn or cancelled.

១.៩ លើកលែងមានការបញ្ជាក់ផ្សេងពីនេះ ពាក្យកាត់នៅក្នុងកិច្ចព្រមព្រៀងនេះ ត្រូវមានន័យដូចដែលមានចែងក្នុងឯកសារផ្តល់ព័ត៌មានរបស់ក្រុមហ៊ុនបោះផ្សាយដែលបានចុះបញ្ជីនៅ ន.ម.ក.។
1.9 Unless stated otherwise, all capitalized terms herein shall have the meaning stipulated or referred to in the Issuer's Disclosure Document that has been registered with the SERC.

២. ការធ្វើបរិវិសកម្ម / 2. SUBSCRIPTION

២.១ ការដាក់តម្កល់ប្រាក់សម្រាប់ការធ្វើបរិវិសកម្ម («**ប្រាក់តម្កល់បរិវិសកម្ម**») ត្រូវមានចំនួន ១០០% នៃថ្លៃមូលបត្របំណុលសរុបដែលបានធ្វើបរិវិសកម្មក្នុងពាក្យស្នើសុំ។ ទឹកប្រាក់ដែលដាក់តម្កល់នឹងមិនមានការប្រាក់ទេ លើកលែងតែមានការបញ្ជាក់ច្បាស់លាស់ពី ន.ម.ក.។
2.1 Deposit for the subscription (the "**Subscription Deposit**") shall be 100% of the total value of the amount of debt securities that have been subscribed in the Application, and no interest shall accrue on the Subscription Deposit unless expressly instructed otherwise by the SERC.

២.២ ក្នុងករណីមានភាពខុសគ្នារវាងចំនួនមូលបត្របំណុលសរុបដែលបានធ្វើបរិវិសកម្ម និងចំនួនមូលបត្របំណុលដែលអាចធ្វើបរិវិសកម្មបានជាមួយនឹងប្រាក់តម្កល់បរិវិសកម្ម វិនិយោគិនត្រូវសន្មតថាបានធ្វើបរិវិសកម្មលើចំនួនទឹកប្រាក់តម្កល់ធ្វើបរិវិសកម្ម។
2.2 In the event of any discrepancy between the subscribed amount and the amount that can be subscribed with the Subscription Deposit, the Investor shall be deemed to have subscribed for the amount corresponding to the Subscription Deposit.

ក្រុមហ៊ុន ភ្នាក់ងារលក់មូលបត្រ (ខេមបូឌា) ភីអិលស៊ី LOLC (CAMBODIA) Plc. KINGDOM OF CAMBODIA

២.៣ ប្រាក់តម្កល់បរិវិសកម្មត្រូវផ្ទេរឲ្យបានគ្រប់ចំនួនតាមការណែនាំរបស់ក្រុមហ៊ុនមូលបត្រ យាន់តា។ ក្រុមហ៊ុនមូលបត្រ យាន់តា មិនទទួលខុសត្រូវលើការកាន់ច្រឡំ ឬយឺតយ៉ាវណាមួយដែលកើតឡើងក្នុងអំឡុងពេលផ្ទេរប្រាក់ ដែលបណ្តាលមកពីការមិនគោរពតាមការណែនាំខាងលើឡើយ។ ប្រាក់តម្កល់បរិវិសកម្មដែលបានផ្ទេរទៅក្នុងគណនីបរិវិសកម្មរបស់ក្រុមហ៊ុនចេញផ្សាយរួចមិនអាចដកវិញបានទេ លើកលែងតែក្នុងករណីដូចមានចែងក្នុងប្រការ ៨ នៃសេវាបរិវិសកម្មនេះ។

2.3 Subscription Deposit must be transferred or remitted in full, in accordance with YSC's instructions. YSC assumes no responsibility for any error or delay in the transfer or remittance as a result of a failure to follow the aforementioned instructions. Subscription Deposit that has been transferred to the Issuer's Subscription Account cannot be withdrawn, except as specified in point 4 of this Subscription Service.

៣. ការបែងចែកមូលបត្របំណុល / 3. ALLOTMENT

ការបែងចែកមូលបត្របំណុលជូននិនិយោគិន គឺស្ថិតនៅក្រោមការសម្រេចចិត្តដោយឆន្ទានុសិទ្ធិរបស់ក្រុមហ៊ុនចេញផ្សាយ និងក្រុមហ៊ុនធានាទិញមូលបត្រ។ ក្រុមហ៊ុនចេញផ្សាយ និងក្រុមហ៊ុនធានាទិញមូលបត្រ អាចបែងចែកចំនួនណាមួយនៃមូលបត្របំណុលជូននិនិយោគិនណាមួយ ឬអាចបដិសេធធ្វើការបែងចែកមូលបត្របំណុលដែលបានធ្វើបរិវិសកម្មដោយនិនិយោគិនណាមួយ។

The allocation of the debt securities to investors shall be at the absolute discretion of the issuer and the Underwriter. The issuer and the Underwriter may allocate any amount of the debt securities to any person or may refuse to allocate the debt securities subscribed by any investors as they deem appropriate.

៤. ផ្ទេរប្រាក់កក់ / 4. REFUND

៤.១ ទឹកប្រាក់ដែលនៅសល់ពីប្រាក់តម្កល់បរិវិសកម្មបន្ទាប់ពីដំណាក់កាលបរិវិសកម្ម ត្រូវផ្ទេរត្រឡប់ទៅបុគ្គលដាក់ពាក្យស្នើសុំវិញនៅក្នុងរូបិយប័ណ្ណដូចគ្នាទៅនឹងរូបិយប័ណ្ណប្រាក់តម្កល់បរិវិសកម្ម តាមរយៈមធ្យោបាយដែលបានបញ្ជាក់ក្នុងពាក្យស្នើសុំ ឬតាមវិធីដែលសមស្របផ្សេងទៀត។

4.1 Any remainder of the Subscription Deposit after the Subscription Period shall be refunded to the corresponding Applicants in the same currency as subscription deposit through the method stipulated in their Application or via any other reasonable methods.

៤.២ ក្រុមហ៊ុនមូលបត្រ យាន់តា មិនទទួលខុសត្រូវលើការកាន់ច្រឡំណាមួយដែលកើតឡើងក្នុងអំឡុងពេលផ្ទេរប្រាក់ត្រឡប់ទៅវិញ ដែលបណ្តាលមកពីព័ត៌មានគណនីធនាគារនៅក្នុងពាក្យស្នើសុំមិនត្រឹមត្រូវឡើយ។

4.2 YSC assumes no responsibility for any error in the refund due to inaccurate bank account details in the Application.

៤.៣ រាល់ការចំណាយ និងកម្រៃណាមួយដោយផ្នែក ឬទាំងអស់ដែលពាក់ព័ន្ធនឹងការផ្ទេរត្រឡប់ទៅវិញ រួមទាំងការចំណាយ និងកម្រៃសេវាលើការផ្ទេរតាមធនាគារ ត្រូវជាបន្ទុករបស់អ្នកស្នើសុំ។

4.3 Any and all expenses, fees and charges related to the refund including, without limitation, the bank transfer fee and service change, shall be borne by the Applicant.

៥. អំណាចនៃត្រារបស់ក្រុមហ៊ុនធានាទិញមូលបត្រ និងទម្រង់ហត្ថលេខារបស់ប្រធានភ្នាក់ងារ និងភ្នាក់ងារក្រុមហ៊ុនមូលបត្រ

5. POWER OF SEAL OF THE UNDERWRITER AND SIGNATURE IMAGE OF THE UNDERWRITER'S HEAD OF SECURITIES REPRESENTATIVES AND SECURITIES REPRESENTATIVE

ត្រារបស់ក្រុមហ៊ុនមូលបត្រ យាន់តា និងទម្រង់ហត្ថលេខារបស់ប្រធានភ្នាក់ងារ និងភ្នាក់ងារក្រុមហ៊ុនមូលបត្រនៃក្រុមហ៊ុនមូលបត្រ យាន់តា ដែលមាននៅលើពាក្យស្នើសុំធ្វើបរិវិសកម្ម និងវិក្កយបត្របរិវិសកម្មមូលបត្រ ត្រូវចាត់ទុកជាត្រាដើមរបស់ក្រុមហ៊ុនមូលបត្រ យាន់តា និងហត្ថលេខាដើមរបស់ប្រធានភ្នាក់ងារ និងភ្នាក់ងារក្រុមហ៊ុនមូលបត្រនៃក្រុមហ៊ុនមូលបត្រ យាន់តា និងមានអានុភាពតាមផ្លូវច្បាប់ដូចត្រាដើម និងហត្ថលេខាដើមតទៅ។

YSC's seal hereunder and the signature image of YSC's Head of Securities Representatives as they appear on the Subscription Form and Receipt for Subscription shall be deemed as the original of the seal of YSC and the original signatures of YSC's Head of Securities Representatives and be construed as having the same legal effect as to the true originals thereof.

៦. ផ្សេងៗ / 6. MISCELLANEOUS

៦.១ លទ្ធផលបរិវិសកម្មនឹងត្រូវប្រកាសជូននិនិយោគិនតាមរយៈគេហទំព័រផ្លូវការរបស់ក្រុមហ៊ុនចេញផ្សាយ ឬគេហទំព័រផ្លូវការរបស់ក្រុមហ៊ុនមូលបត្រ យាន់តា ឬគេហទំព័រផ្លូវការរបស់ភ្នាក់ងារលក់របស់ក្រុមហ៊ុនមូលបត្រ យាន់តា។

6.1 Subscription result shall be announced to investors via the official website of the Issuer, YSC's official website or authorized selling agents' websites.

៦.២ ក្រុមហ៊ុនមូលបត្រ យាន់តា រក្សាសិទ្ធិកែប្រែលក្ខខណ្ឌដែលមានចែងក្នុងកិច្ចព្រមព្រៀងនេះ។

6.2 YSC reserves the right to amend the terms and conditions contained herein.

៦.៣ បុគ្គលដាក់ពាក្យស្នើសុំដែលមានសំណួរពាក់ព័ន្ធនឹងពាក្យស្នើសុំនេះ គួរស្វែងរកការបញ្ជាក់ពីក្រុមហ៊ុនមូលបត្រ យាន់តា។

6.3 An Applicant with queries regarding the Application or any of the matters contained herein should seek clarification from YSC.