

ANNUAL REPORT 2 0 2 2

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Independent Audit Report

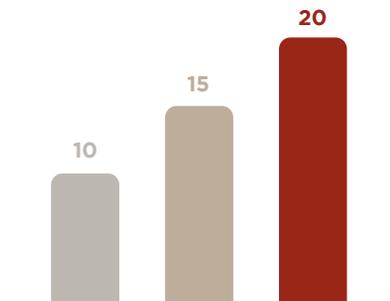
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Company Profile

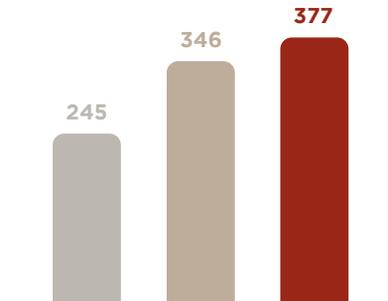
Key Figures

2020 2021 2022

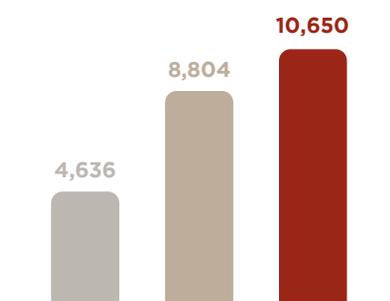
Branch



Staff

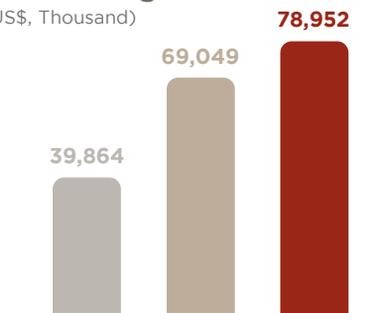


Customer



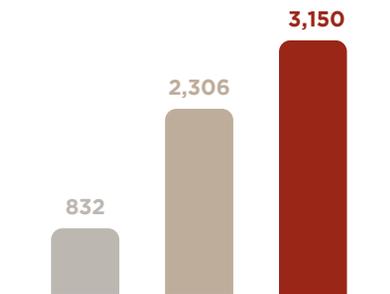
Outstanding Balance

(US\$, Thousand)

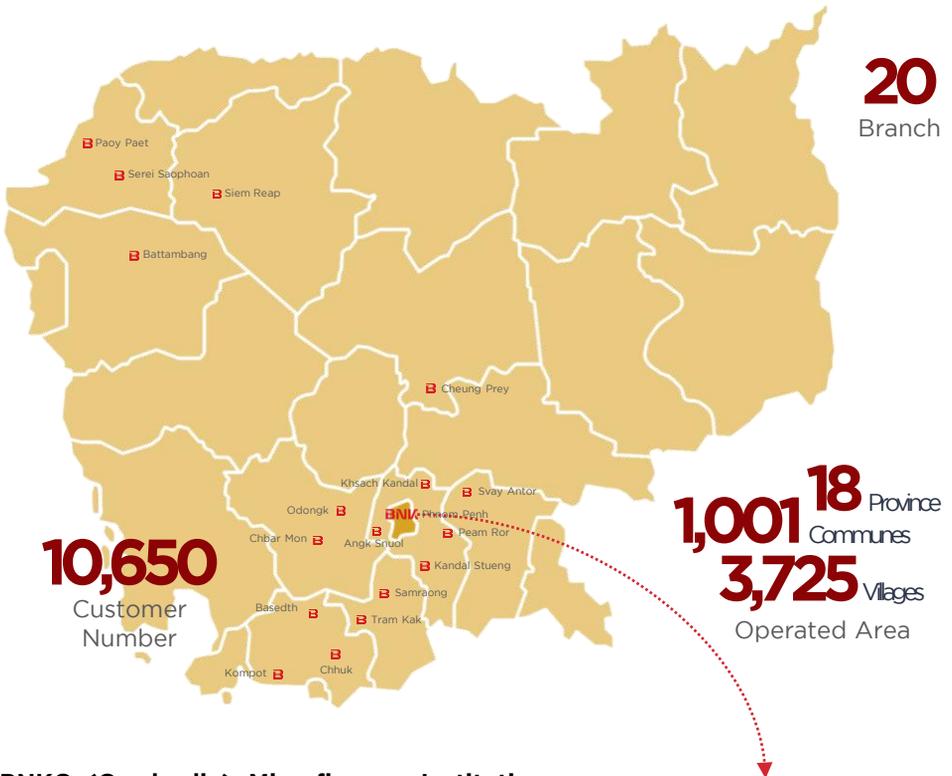


Net Profit

(US\$, Thousand)



Corporation Information



BNKC (Cambodia) Microfinance Institution Plc., formerly named KBSC (Cambodia) Microfinance Institution Plc. is a Public Limited Company which received an official license from National Bank of Cambodia on 07th May, 2015. BNKC had a paid up capital USD 15 Million and 100% Shareholder-BNK Capital Co., Ltd in Busan, South Korea. The main purpose of BNKC is to provide the best financial service to Cambodian people and to contribute to the development of Cambodia's economy. Moreover, BNKC is providing job opportunities to employees who wish to develop their abilities and skills to work in the institution for future growth.



Shareholder



**BNK Capital is always
there for you**

BNK CAPITAL is a family company of Busan Bank and Kyongnam Bank totally invested by BNK Financial Group, which offers a variety of financial goods and services, including automobile finance (Installment, lease, loan), personal credit loan, secured loan, equipment leasing, corporate finance and etc. Established since 2010, BNK CAPITAL has grown as a blue-chip capital company representing the circles within business networks across the country and has surpassed 3 trillion won in operational assets in just four years. BNK CAPITAL maintains a constant challenge to satisfy the diverse financial needs of their clientele, instead of adopting a complacent attitude. Additionally, BNK CAPITAL has expanded its financial network in the main emerging countries in the Southeast Asia by advancing into small-loan markets in Myanmar, Laos and Cambodia in 2014, and strengthened the reputation as a financial institution

that specialized in loans.

BNK CAPITAL is committed to creating a variety of financial goods on the basis of top professional manpower and financial know-how, and put in our best effort to provide the customer with efficient and creative financial services.

BNK CAPITAL also aspires to grow into a company that prioritizes the satisfaction of its customers, sets the bar high for advancing social welfare, and rewards its employees. BNK CAPITAL also put forth every effort to become the best financial firm capable of leading financial organizations within and outside of the nation in the years to come, in accordance with the intermediate/long-term management vision of BNK Financial Group, "Be the Best Global/Regional Financial Group".

BNK Capital



100%

Share Percentage



**380
Billion**

Registered
Capital (WON)

Board of Directors



Mr. KIM SUNGHWA
Chairman of the Board



Mr. KIM SOONJO
Member of the Board



Mr. PARK BYOUNGSOO
Member of the Board



Mr. HA JEONGSOO
Member of the Board



Mr. IV POLY
Independent of the Board

Vision | Mission | Strategic Goal

Visions

To provide the best financial services to the Cambodian with sustainable growth

Missions

To improve the living standards of the people in Cambodia; Strengthen the values of customers, employees, shareholders, and society

Strategic Goals

Developing various products & services and increase market share

Maintaining integrity and profitability

Improving quality of asset through strengthening risk management



Your Best Business Partner!

CEO's Message



Mr. KIM SOON JO

Chief Executive Officer

Greeting from BNKC (Cambodia) Microfinance Institution Plc. CEO Mr. KIM Soonjo!

First of all, I would like to express my sincere gratitude to the customers who always support BNKC MFI with unwavering love.

Based on the trust and loyalty of the customers, BNKC MFI, which was founded in March 2014, has established itself as Cambodia's representative MFI with 10,650 customers and 20 branches.

BNKC MFI prioritizes the growth of the local economy through supporting microloans and offers a range of loan services including Business Loans, Home Loans, Agricultural Loans, Unsecured Loans, and etc.

Under its slogan "Your Best Business Partner," BNKC MFI will keep moving forward to grow alongside customers. All staff will make every effort to contribute to the company in becoming an MFI that offers cutting-edge, customer-oriented digital financial services.

In addition, BNKC MFI will fulfill its corporate social responsibility through continuous social contribution activities, and all executives and staff will comply with all Prakas and guidelines of the National Bank of Cambodia, making it a financial company that is trustworthy faithful to the basics such as corporate transparency, morality of all employees, responsibility, and ethical management.

We wish all BNKC MFI customer good health, happiness and growth.

Best Regards,

A handwritten signature in blue ink, appearing to be 'Kim Soonjo', written over a faint circular watermark.

BNKC (Cambodia) Microfinance Institution Plc.
CEO, Mr. KIM Soonjo

OUR Operation



Branch



Head Office

GF & 1F of B-Ray Tower, Preah Nordom Blvd., Sangkat Tonle Bassac, Khan Chamcarmon, Phnom Penh
Tel: 023 213 900



Odongk Branch

Odongk Village, Veang Chas Commune, Odongk District, Kampong Speu Province
Tel: 025 218 282



Angk Snuol Branch

Chong Bangkoul Village, Beak Chan Commune, Angk Snuol District, Kandal Province
Tel: 023 729 711



Basedth Branch

Slab Leaing village, Svay Rumpear Commune, Basedth District, Kampong Speu Province
Tel: 025 900 110



Kandal Stueng Branch

Siem Reab Village, Siem Reab Commune, Kandal Stueng District, Kandal Province
Tel: 024 900 135



Thpong Branch

Monourom, Monourom, Thpong, Kampong Speu
Tel: 025 900 119



Khsach Kandal Branch

Prek Ta Meak Village, Prek Ta Meak Commune, Khsach Kandal District, Kandal Province
Tel: 024 900 131



Cheung Prey Branch

Pana Village, Soutib commune, Cheung Prey District, Kompong Cham
Tel: 042 900 110



Chbar Mon Branch

Borei Kammeakkar Village, Rokar Thum Commune, Krong Chbar Mon, Kampong Speu Province
Tel: 025 210 229



Tram Kak Branch

Prey Rumdeng Village, Angk Ta Saom Commune, Tram Kak District, Takeo Province
Tel: 032 215 215



Bati Branch
Prohaek Village, Sour Phin
Commune, Bati District, Takeo
Tel: 032 900 118



Battambang Branch
Kammeakor Village, Sangkat
Svay Por, Krong Battambang,
Battambang Province
Tel: 053 952 952



Samraong Branch
Prey Totueng, Samraong,
Samraong, Takeo
Tel: 032 900 119



Serei Saophoan Branch
Phum Bei, Sangkat Preah Ponlea,
Serei Saophoan Municipality,
Banteay Meanchey
Tel: 054 900 112



Chhuk Branch
Chhue Teal Village, Chhuk
Commune, Chhuk District,
Kampot Province
Tel: 033 900 135



Paoy Paet Branch
Bailleyll village, Sangkat Paoy
Paet, Paoy Paet Municipality,
Banteay Meanchey
Tel: 054 900 110



Kampot Branch
Svay Thum Village,
Sangkat Krang Ampil,
Kampot Municipality
Tel: 033 900 110



Peam Ro Branch
Preaek Reang, Banlich Prasat,
Peam Ro, Prey Veng
Tel: 043 900 118



Siem Reap Branch
Treang Village, Sangkat Sla
Kram, Krong Siemreap,
Siemreap Province
Tel: 063 756 722



Svay Antor Branch
Svay Antor Ti Muoy,
Svay Antor, Prey Veng
Tel: 043 900 119

Product



Business Loan

Business Loan is designed for customer who needs capital for setting up new business, expanding his/her business to earn more profit. Loan size and term are up to USD 50,000 or equivalent Khmer Riel and 72 months.



Agriculture Loan

Agriculture loan is offered to customer who wishes to undertake or expand agriculture activities, generating income from agricultures, such as animal farming, vegetable growing, fishing etc. Loan size and term are up to USD 30,000 or equivalent Khmer Riel and 72 months.



Home Loan

Home Loan is offered to customer who demands capital to buy land, building house, and acquiring his/her dream house or condo/ apartment. Loan size and term of the product is very flexible depending on negotiation and situation.



Home Improvement Loan

Home Improvement Loan is specifically designed for customer who needs capital for upgrading his/her existing home/ small or medium building. Loan size and term are up to USD 15,000 or equivalent Khmer Riel and 72 months.



Car Loan

Car Loan is designed for customer who wishes to purchase vehicle (car/truck) for using in family not for business. Loan size and term is up to USD 30,000 or equivalent Khmer Riel and 72 months.



Customer Testimonial



I am a business owner. When I was looking for a loan to expand my business, I learned about BNKC's Business Loan. I was so concerned about having urgent financial issues that I was unable to sleep, but thanks to BNKC, I was able to find a solution in time. Simply BNKC has made me joyful once again. May this weekend also bring happiness to all of the staff members who offer helpful counsel at the institutions.

(AUN Chhay / Serei Saophoan Branch)



Hire-Purchase Loan

Hire-Purchase loan is a financial product that does not require collateral.

Customer might use the capital to buy daily necessary electronic devices such as smart phone, laptop, refrigerator, and etc. Loan size and Term are up to USD 10,000 or equivalent Khmer Riel and 36 months.



Solar Loan

Solar Loan- an individual/business loan is designed for customer who needs capital to install solar panels at business site or home. Loan size and term are up to USD 30,000 or equivalent Khmer Riel and 72 months.



Personal Loan

Personal Loan is offered to customer who acquire capital to buy goods for family or personal use. Loan size and term are up to USD 15,000 or equivalent Khmer Riel and 72 months.

I feel that my family's economics is better now that I'm using BNKC's financial services, and I can spend more freely because I have the right expenses. The credit officer advises me to put in hard work and make timely payments so that I could easily borrow the following installment because I'll need to expand my business further next time.

(SAK Reksmey / Angk Snuol Branch)



I intend to buy a piece of land for my children. So I looked for a loan service and my neighbor advised me about the loan products at BNKC that the service provider is fast and trustworthy, and easy to repay the monthly payment. Moreover, the interest rate is also reasonable, so I decided to get a loan from BNKC. I am so happy to buy a piece of land that will be an asset for my children in the future. Thank to BNKC, I achieved one of my goals for my children.

(KUN Pannet / Samraong Branch)

BNKC Mobile App

BNKC MFI Mobile App

Main Function

Loan
Consultant

Apply
Loan

Check
Repayment
Schedule

Pay
via WING

Introduction



The BNKC MFI Mobile App, which was launched in June 2021, is an effective illustration of digital innovation focused on the needs of the consumer. It was the first step in shifting the mindset to turn a crisis into an opportunity since 2019, when not only Cambodia but the entire world has been shaking in terror owing to the outbreak of the Corona virus.

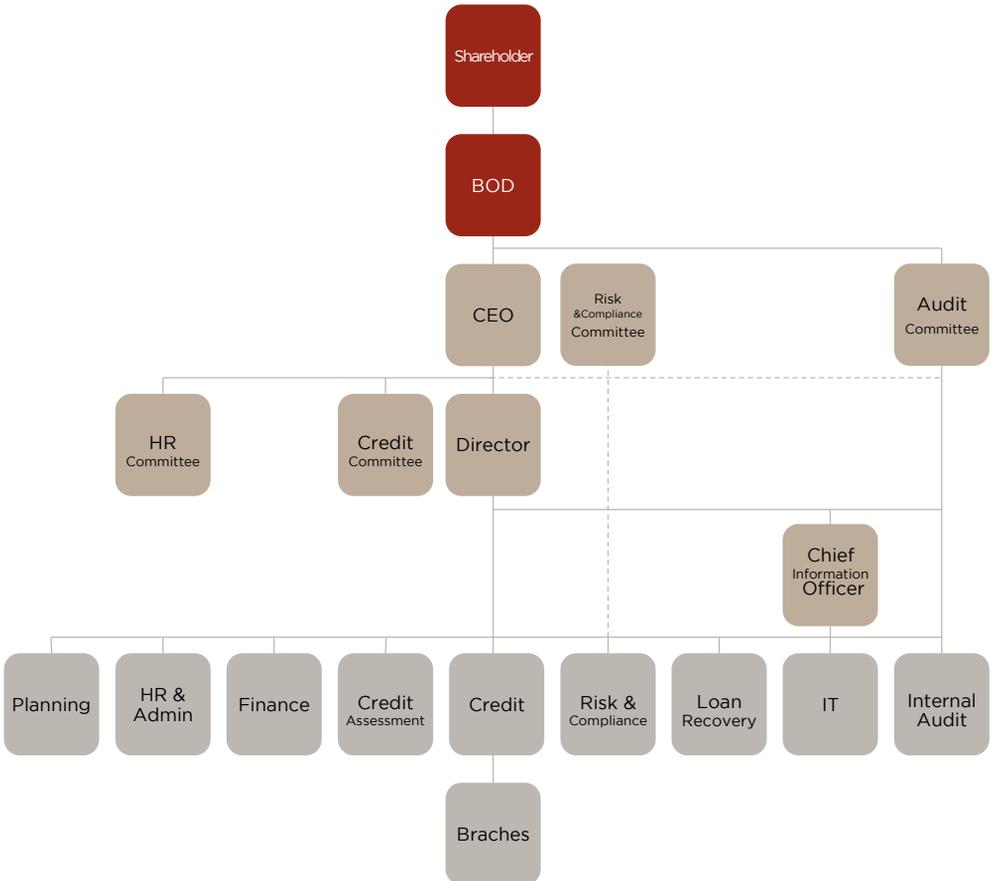
The BNKC MFI Mobile App, as the first MFI app to be situated in Cambodia, identified customer needs and simply expressed functional implementation and design elements. These make the application accessible to people of applicable age and both genders. In addition, it helps you to live in a smarter financial life with functions such as loan counseling, loan application, loan repayment schedule checking, and loan repayment through Wing.

As of December 2022, about 7,978 customers have downloaded the BNKC Mobile App. Loan consultations and applications are being actively submitted through the app. By taking into account consumer needs, BNKC will continue to offer digital financial innovation for customers' smart financial lives in the future.

OUR Team

Organizational Structure

BNK MFI Plc.



Executive Management Profile



Mr. KIM SOONJO, Chief Executive Officer

Mr. KIM Soonjo joined BNKC in early October 2020 as the Chief Executive Officer. He had been working for BNKC Myanmar for 6 years as the Managing Director. Prior to joining BNKC Myanmar, He was the Branch Manager of BNK Capital's Daejeon Branch for 4 years; and also served at Aju Capital for 5 years in the positions of Sales Team Manager and loan review manager. He has more than 15 years of experience in the financial sector.

Mr. LEE SIHYUN, Director

Mr. LEE Sihyun joined BNKC as the Director in July 2019. He graduated from Pukyong National University, the Republic of Korea in 1998.

He has many years of experience in the financial sector in the Republic of Korea. He worked at Busan Parangsae Saving Bank for 4 years, as the Credit Management Supervisor. He joined BNK Capital in October 2011. Based on his outstanding achievements at BNK Capital, He was appointed to many management positions such as Manager of counseling Center, Manager of CS Planning Team, Manager of Loan Review Team and Manager of Risk Management Team.



Mr. PARK Hyungmo, Chief Information Officer

Mr. PARK Hyungmo joined BNKC in May 2022, as a Chief Information Officer. He holds a bachelor's degree in Computer Science and Engineering from Pusan National University, Republic of Korea. His career at BNK Capital, in Republic of Korea, started in 2012 as an IT officer. Over 10 years, he joined various TFT projects, such as Customer Mobile App project, Core System Development Project, and etc. He had also participated in Corporate Projects held by Samsung, Pusan International Financial Forum at Republic of Korea, and etc. He has various skills such as; Java, PHP, Java Script, C, C++, HTML, XML, Oracle.

Management Profile





Ms. POUV SALEM, Head of Planning Department

Ms. POUV Salem is the Head of Planning Department at BNKC. She joined the Company in January 2016 as an Assistant to CEO. She had also participated in many research and analysis projects on social and economic developments at the University of the Republic of Korea before coming to Cambodia.

She graduated with a Master's Degree in Public Administration in 2014 from EWHA Womans University, the Republic of Korea and Bachelor's Degrees in both fields, Economics and Public Administration from EWHA Womans University, the Republic of Korea in 2011.

Mr. UN RATTANAK, Head of HR & Admin Department

Mr. UN Rattanak is the Head of HR & Admin Department. He joined BNKC in June 2016. Prior to his career at BNKC, He worked as an Administration & Finance Manager and an Assistant Project Manager at a Construction Company for 3 years. He also was a School Managing Director of Thailand-based ICMS Mission Society, NGO for 1 year.

He graduated with a Master's Degree in Business Management (MBA) from Build Bright University in March 2015. In 2012, He also successfully completed 2 Bachelor's Degrees at the same time in Inter-Cultural Studies and English Language and Literature from KOSIN University, Busan City, the Republic of Korea. In addition, He had attended various vocational training courses such as Professional in Human Resource (PHRi), VAT declaration by reverse charge and taxation electric system, Project management professional, Effective performance management process, Policy and benefits of NSSF member under pension scheme, Cambodia taxation & payroll management, Employee compensation and benefits in financial and banking industries, Strategic staff recruitment & retention, Human resource and compliance in practices for financial institution, Human resource management for frontline managers, Cambodia Labor Law & Compliance, HR Manual and Policy Writing, Managing Employee Performance, Leadership Skill, Administration and office Management, etc.



Mr. PHENG Pheak, Head of Finance Department

Mr. PHENG Pheak was appointed as the Head of Finance Department. He joined BNKC in August 2019. He has more than 15 years of experience in the microfinance sector. Prior to joining BNKC, he worked at MDIs, MFIs and Multi National Company in various positions such as Internal Auditor, Senior Accountant, Senior Management Accounts, Financial Controller, Commercial Business Analysis Manager, Manager of Budget Planning, Head of Finance and Admin Department. He also has experience in Core Banking System Migration, Process Simplification and Improvement, and Accounting and Auditing University Lecturer for 6 years.

He graduated with a Master's Degree in Financial Management from Royal University of Law and Economics in 2011, a Bachelor's Degree in Finance and Accounting from National University of Management and a Bachelor of Art in English from Norton University. He also is studying the ACCA program. He attended several training courses including Financial Analysis Performance Indicators, Asset & Liability Management, Balance Sheet Risk Management, Credit Risk Exposure, Full CIFRS and CIFRS for SME, Cambodian Taxation, Internal Control System, Risk Management, Management Development Program, Advanced Training of Trainer, and Empowering Leadership & Motivation etc.





MR. PEOU CHANMITHONA, Head of Credit Assessment Department

Mr. PEOU Chanmithona joined BNKC in June 2020 and appointed as Head of Credit Assessment Department in January 2021. Prior his career at BNKC, He used to work for various positions, such as Lending Support Supervisor, Chief Credit Officer at several leading banks in Cambodia. As for his experience, He has been working in the financial industry for more than 10 years.

He obtained his Master's Degree in Business Management from the National University of Management, Phnom Penh in August 2015. In 2009, He successfully graduated His Bachelor's Degree in Banking and Finance at National University of Management, Phnom Penh. In 2006, He also graduated his Associate's Degree in Banking at the Center for Banking Studies.

Mr. SIN Sokneang, Head of Credit Department

Mr. SIN Sokneang joined BNKC in December 2022 as Head of Credit Department. He has over fifteen years of experience in the microfinance sector with many positions such as Credit Officer, Senior Credit Officer, Area Manager, Provincial Manager, Head of Region and Deputy Head of Branch Management for a well-known MFI in Cambodia.

He obtained master's degree of Finance from the National University of Management, Phnom Penh in 2012, and bachelor's degree of Agriculture from the Maharishi Vedic University, Prey Veng in 2004. He also attended several short-term courses such as Developing the Leadership Within course, Training of Trainer, Delinquency Prevention and Management and Public Speaking.



Ms. SIE NAILENG, Head of Risk & Compliance Department

Ms. SIE Naileng is the Head of the Risk and Compliance Department. She joined BNKC in January 2019. Prior to joining BNKC, She was a Lawyer Assistant and Compliance Officer of a Microfinance Company. She also used to be a legal consultant and legal researcher during that time. She was accredited by the National Bank of Cambodia and the Financial Intelligence Unit of Cambodia as a Compliance Officer for the Microfinance Institution.

She graduated with a Bachelor's Degree of Laws from the Royal University of Law and Economics, Phnom Penh in 2017. She also completed the General English Program from Pannasastra University of Cambodia, Phnom Penh. She had completed training courses such as Regulatory compliance and Anti-Money laundering from the Institution of Banking and Finance and Cambodia Microfinance Association, etc.





Mr. OUM Sobotra, Head of Loan Recovery Department

Mr. OUM Sobotra was appointed as a Head of Loan Recovery Department. He joined BNKC in August 2015, year of BNKC founded. He has more than 10 years of experience in financial sector. Before joining BNKC, he was working for Acleda Bank as a Credit Officer for 11 years, and an Internal Audit officer for 1 year.

He graduated with a Master's Degree in Finance from National University of Management, Phnom Penh in 2018 and a Bachelor's degree of business Administration from National Institution of Management, Phnom Penh in 2003. He also completed several courses such as Complaint Presentation, Performance Analysis of Microfinance Institutions, Risk Management, Success of Sales, Human Rights, and etc.

Mr. AN SOKKHAK, Head of Information Technology Department

Mr. AN Sokkhak joined BNKC in April 2015. Prior to joining BNKC, He was a Database Administrator of Microfinance Institution for 2 years, a Computer Program Developer for a company for 2 years. He also was an IT Coordinator for an International School for 1 year and an IT teacher for half a year.

He graduated with a Bachelor's degree of Computer Science and Engineering from the Royal University of Phnom Penh in 2009. He had completed vocational training courses such as C-Programming, C++, Java (OOP, Servlets, JSP), C#, PHP, My SQL, ASP.net, Java/VB Script, CSS, VB.net, SQL Server and Database Management System.



Mr. ROEUN RITHEA, ead of Internal Audit

Mr. ROEUN Rithea joined BNKC in May 2019. He started his career as an Internal Auditor in Banking and Microfinance sector for almost 13 years. Prior to His career at BNKC, He had worked as an Internal Auditor at Seilanithih Microfinance for 4 years and as a Senior Internal Auditor at LOLC, Deposit Taking Microfinance for 5 years.

He graduated with a Bachelor's Degree in Accounting from Norton University, Phnom Penh in 2009 and studying Master Degree of Private Law at Preah Sihanoniraja Buddhist University. To supplement his knowledge of auditing, He successfully completed several short courses such as Internal Control, Fraud Risk Prevention, Cambodian Taxation, Internal Audit Management, Principle of Auditing, Contract law and Loan Contract for Financial Operations and Certificate of Internal Audit Master Class from IFC at Institute of Banking and Finance.



Employee Capacity Development

Internal Training

BNKC (Cambodia) Microfinance Institution Plc. conducted continuous internal training to both existing and new staff to not only gain a better understanding of the job, but also adopt the right work mindset and ethics. Internal training was conducted by managements, high-performing staff or professional staff of the institution to understand and properly implement the policies and guidelines of the Institution.



External Training

As a Microfinance Institution, beside internal training, BNKC also sent their staffs to joined external training and Seminar which conducted by National Bank of Cambodia, Cambodia Microfinance Association (CMA), General Department of Taxation (GDT), Credit Bureau Cambodia (CBC) and related ministries; such as Ministry of Labor and Vocational Training, Ministry of Commerce etc.

The purpose of external training is to strengthen employees' capacity more professional and makes overall business operation of the Institution comply with the Cambodia Commercial Law, Local and International Accounting Standard Law, especially any other Laws, Provision, Prakas release by the National Bank of Cambodia and General Department of Taxation.

Dept.	Topic
Internal Audit	Updating Annual Tax Compliance and Tax on Income in Financial Institutions
Internal Audit	Contract Law and Loan Contract for Financial Operation
Internal Audit	Audit Sampling
Credit	Effective Branch Management for Branch Manager
Credit	Strengthening Capacity for the Betterment of Effective Branch Performance Management with Sustainability, Ethics, and Professionalism
Credit	Annual Microfinance Conference 2022
Risk & Compliance	Compliance and Risk Function



Attend Certification Ceremony

Corporate Social Responsibility

HAPPY SHARING

The “Happy Sharing” donation program was made for the purpose of sharing love and contributing to society regardless of age, or nationality.

One day, we came across the inside of the Tbaeng Ram Primary School classroom through SNS. The sight of young children continuing their studies in a poor environment touched us.

Although the material we bring is a small gift, we hope that it will contribute in part to the needs of students and people in need. We, BNKC staff, wish all participants happiness and joy as the name of the program “Happy Sharing”.



BNKC Staff in Happy Sharing Program (Sep 15, 2022) at Tbaeng Ram Primary School

Management Workshop



2022 BNKC Management Workshop



2022 MANAGEMENT WORKSHOP

On 13-14 August.2022 , BNKC (Cambo dia) MFI Plc. Organized a Management Workshop held at Kirirom Resort to provide an opportunity for all manage ments to meet, share experiences, discuss strategies for the second half of 2022 as well as team building activities. BNKC (Cambodia) MFI Plc. always strive to strengthen working relationships among management, knowledge sharing and skill development, as well as provide a good working environment to all employees. We believe that exchanging ideas, and sharing experiences with each other in management can lead to more positive results in the overall operation.

Independent Audit Report

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Financial Statements:

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39 Statement of Comprehensive
Income

40 Statement of Changes in Equity

41 Statement of Cash Flows

INDEPENDENT AUDITOR’S REPORT

To: The Shareholder of BNKC (Cambodia) Microfinance Institution Plc.

Opinion

We have audited the financial statements of BNKC (Cambodia) Microfinance Institution Plc. (“the Company”), which comprise the statement of financial position as at 31 December 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Cambodian International Financial Reporting Standard for Small and Medium-sized Entities (“CIFRS for SMEs”).

Basis for Opinion

We conducted our audit in accordance with Cambodian International Standards on Auditing (“CISAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants and Auditors issued by the Ministry of Economy and Finance of Cambodia, together with the ethical requirements that are relevant to our audit of the financial statements in Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Company for the year ended 31 December 2021 were audited by another auditor who expressed an unmodified opinion on those statements on 31 March 2022.

Other Information

The other information obtained at the date of the auditor’s report comprises the Report of the Board of Directors as set out in pages 1 to 4. Management is responsible for the other information.

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

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

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with CIFRS for SMEs 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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.

STATEMENT OF FINANCIAL POSITION

as at 31 December 2022

	Note s	2022		2021	
		US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
(As reclassified - Note 22)					
ASSETS					
Cash and balances with banks-net	4	10,283,238	42,336,091	2,988,191	12,173,890
Statutory deposit	5	1,000,000	4,117,000	750,000	3,055,500
Loans and advances to customers	6	78,951,777	325,044,466	69,049,440	281,307,419
Other assets	7	201,488	829,527	260,588	1,061,636
Property and equipment	8	1,334,594	5,494,523	815,504	3,322,363
Intangible assets	9	1,601,124	6,591,828	1,341,093	5,463,613
Deferred tax assets	10.3	386,004	1,589,178	81,725	332,948
TOTAL ASSETS		93,758,225	386,002,613	75,286,541	306,717,369
LIABILITIES AND SHAREHOLDER'S EQUITY					
LIABILITIES					
Income tax payable	10.2	776,355	3,196,254	722,966	2,945,363
Borrowings	11	66,889,749	275,385,097	56,692,308	230,964,463
Other liabilities	12	470,182	1,935,739	399,773	1,628,675
Total liabilities		68,136,286	280,517,090	57,815,047	235,538,501
SHAREHOLDER'S EQUITY					
Share capital	13	20,000,000	80,000,000	15,000,000	60,000,000
Retained earnings		5,405,812	22,208,619	2,280,876	9,437,005
Regulatory reserve	14	216,127	876,731	190,618	772,476
Cumulative exchange differences on translation		-	2,400,173	-	969,387
Total shareholder's equity		25,621,939	105,485,523	17,471,494	71,178,868
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		93,758,225	386,002,613	75,286,541	306,717,369

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2022

	Notes	2022		2021	
		US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
(As reclassified - Note 22)					
Operating income					
Interest income	15	12,813,693	52,369,563	8,898,765	36,200,176
Interest expenses	16	(2,702,044)	(11,043,254)	(1,371,302)	(5,578,457)
Net interest income		10,111,649	41,326,309	7,527,463	30,621,719
Fee and commission expense	17	(348,071)	(1,422,566)	(257,686)	(1,048,266)
Other operating income	18	692,402	2,829,847	453,396	1,844,415
Total operating income		10,455,980	42,733,590	7,723,173	31,417,868
General and administrative expenses	19	(5,588,676)	(22,840,919)	(4,198,112)	(17,077,920)
Reversal of (provision for) impairment losses on balances with other banks		10,962	44,802	(17,767)	(72,276)
Provision for losses on loans and advances	6	(1,131,494)	(4,624,416)	(472,347)	(1,921,508)
Income before income tax		3,746,772	15,313,057	3,034,947	12,346,164
Income tax expense	10	(596,327)	(2,437,188)	(728,606)	(2,963,969)
Net profit for the year		3,150,445	12,875,869	2,306,341	9,382,195
Other comprehensive income:					
Exchange difference on translation		-	1,430,786	-	723,629
Total comprehensive income		3,150,445	14,306,655	2,306,341	10,105,824

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2022

	Share capital		Retained earnings		Regulatory reserve (Note 14)		Cumulative difference on exchange translation	Total	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000		US\$	KHR'000
As at 1 January 2022	15,000,000	60,000,000	2,280,876	9,437,005	190,618	772,476	969,387	17,471,494	71,178,868
Capital injection	5,000,000	20,000,000	-	-	-	-	-	5,000,000	20,000,000
Net profit for the year	-	-	3,150,445	12,875,869	-	-	-	3,150,445	12,875,869
Transfer to regulatory reserve	-	-	(25,509)	(104,255)	25,509	104,255	-	-	-
Difference on exchange translation	-	-	-	-	-	-	1,430,786	-	1,430,786
As at 31 December 2022	20,000,000	80,000,000	5,405,812	22,208,619	216,127	876,731	2,400,173	25,621,939	105,485,523
As at 1 January 2021	15,000,000	60,000,000	13,263	212,356	151,890	614,930	245,758	15,165,153	61,073,044
Net profit for the year	-	-	2,306,341	9,382,195	-	-	-	2,306,341	9,382,195
Transfer to regulatory reserve	-	-	(38,728)	(157,546)	38,728	157,546	-	-	-
Difference on exchange translation	-	-	-	-	-	-	723,629	-	723,629
As at 31 December 2021	15,000,000	60,000,000	2,280,876	9,437,005	190,618	772,476	969,387	17,471,494	71,178,868

STATEMENT OF CASH FLOWS

for the year ended 31 December 2022

	Notes	2022		2021	
		US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
OPERATING ACTIVITIES					
Profit before income tax		3,746,772	15,313,057	3,034,947	12,346,164
Adjustments for:					
Depreciation and amortization	8,9	414,163	1,692,683	261,935	1,065,552
Provision for loan losses, and balances with other banks		1,120,533	4,579,618	490,114	1,993,784
Interest income	15	(2,813,693)	(52,369,563)	(8,898,765)	(36,200,176)
Interest expense	16	2,702,044	11,043,254	1,371,302	5,578,457
Loss on disposal of property and equipment		1,440	5,883	725	2,949
Movements in operating assets and liabilities:					
Statutory deposit	5	(250,000)	(1,021,750)	-	-
Loans and advances to customers	6	(10,856,066)	(44,368,742)	(28,796,162)	(117,142,787)
Other assets	7	59,100	241,542	(93,110)	(378,771)
Other liabilities	12	70,409	287,762	205,572	836,267
Cash used in operations		(15,805,299)	(64,596,256)	(32,423,442)	(131,898,561)
Interest received		12,635,859	51,642,756	8,037,258	32,695,566
Income tax paid	10.2	(847,217)	(3,462,576)	(401,895)	(1,634,909)
Net cash used in operating activities		(4,016,657)	(16,416,076)	(24,788,079)	(100,837,904)
INVESTING ACTIVITIES					
Acquisition of property and equipment		(870,917)	(3,559,436)	(470,897)	(1,915,609)
Acquisition of Intangible assets	9	(335,306)	(1,370,396)	(1,353,021)	(5,504,089)
Proceed from disposal of property and equipment		11,499	46,998	273	1,111
Net cash used in investing activities		(1,194,723)	(4,882,834)	(1,823,645)	(7,418,587)
FINANCING ACTIVITIES					
Proceeds from borrowings	11	21,000,000	85,827,000	42,846,326	174,298,854
Repayments of borrowings	11	(11,114,569)	(45,425,244)	(13,000,000)	(52,884,000)
Interest payments	11	(2,390,034)	(9,768,069)	(1,371,302)	(5,578,457)
Cash proceeds from capital injection	13	5,000,000	20,435,000		
Net cash provided by financing activities		12,495,397	51,068,687	28,475,024	115,836,397
Net increase in cash and cash equivalents		7,284,018	29,769,781	1,863,300	7,579,906
Cash and cash equivalents at beginning of year		3,016,347	12,288,597	1,153,047	4,664,077
Exchange difference on translation		-	348,224	-	44,614
Cash and cash equivalents at end of year	4	10,300,365	42,406,602	3,016,347	12,288,597

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