

BNKC MFI Plc.

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ANNUAL REPORT

2025



BNKC is Your Best Business Partner!

ANNUAL REPORT
2025

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01 | LETTER FROM CEO



Mr. MOON Sungjin Chief Executive Officer(CEO)

Respectfully addressed to all valued customers and business partners!

On behalf of the Chief Executive Officer of BNKC (Cambodia) Microfinance Institution Plc., I would like to express my deepest gratitude for your trust and support in the past.

The year 2025 was a year in which the global economy encountered numerous challenges from inflationary pressures and international policy fluctuations, causing economic growth to decelerate. However, under rigorous risk management, BNKC (Cambodia) Microfinance Institution has still been able to maintain operational stability and a firm commitment to our vision.

We continue to adhere to the strategy of "Growth with Quality and Sustainability" through:

- Strengthening Credit Quality: Enhancing rigorous assessment for the benefit of customers and the institution.
- Digital Transformation: Launching mobile applications and website-based loan application systems to provide prompt services.
- Social Wellbeing: Contributing to community development and prioritizing the protection of customer benefits.

I would like to express my deepest gratitude to the National Bank of Cambodia, the Board of Directors, shareholders, and staff at all levels for their past dedication. In particular, thank you to our customers who always trust in our services.

We will continue to step forward as a financial partner of the highest quality and responsibility in order to achieve the slogan: "BNKC (Cambodia) Microfinance Institution is your best business partner."

02 COMPANY OVERVIEW

Executive Summary

BNKC (Cambodia) Microfinance Institution Plc., originally named KBSC (Cambodia) Microfinance Institution Plc., is a limited liability corporation established on March 07, 2014, and received its license from the National Bank of Cambodia on May 07, 2015. The institution receives 100% investment from its parent company, BNK Capital Co., Ltd., based in Busan, Republic of Korea, with a capital of 20 million US dollars. The primary purpose of the institution is to provide the best financial services to the Cambodian people with responsibility and transparency.

Furthermore, the institution maintains a position to actively contribute to the economic development of Cambodia through financial facilitation and social contributions, as well as providing job opportunities to employees who wish to develop their capacities and skills to join and serve the institution for future growth.



Vision

To provide leading, excellent financial services to the citizens for sustainable growth.

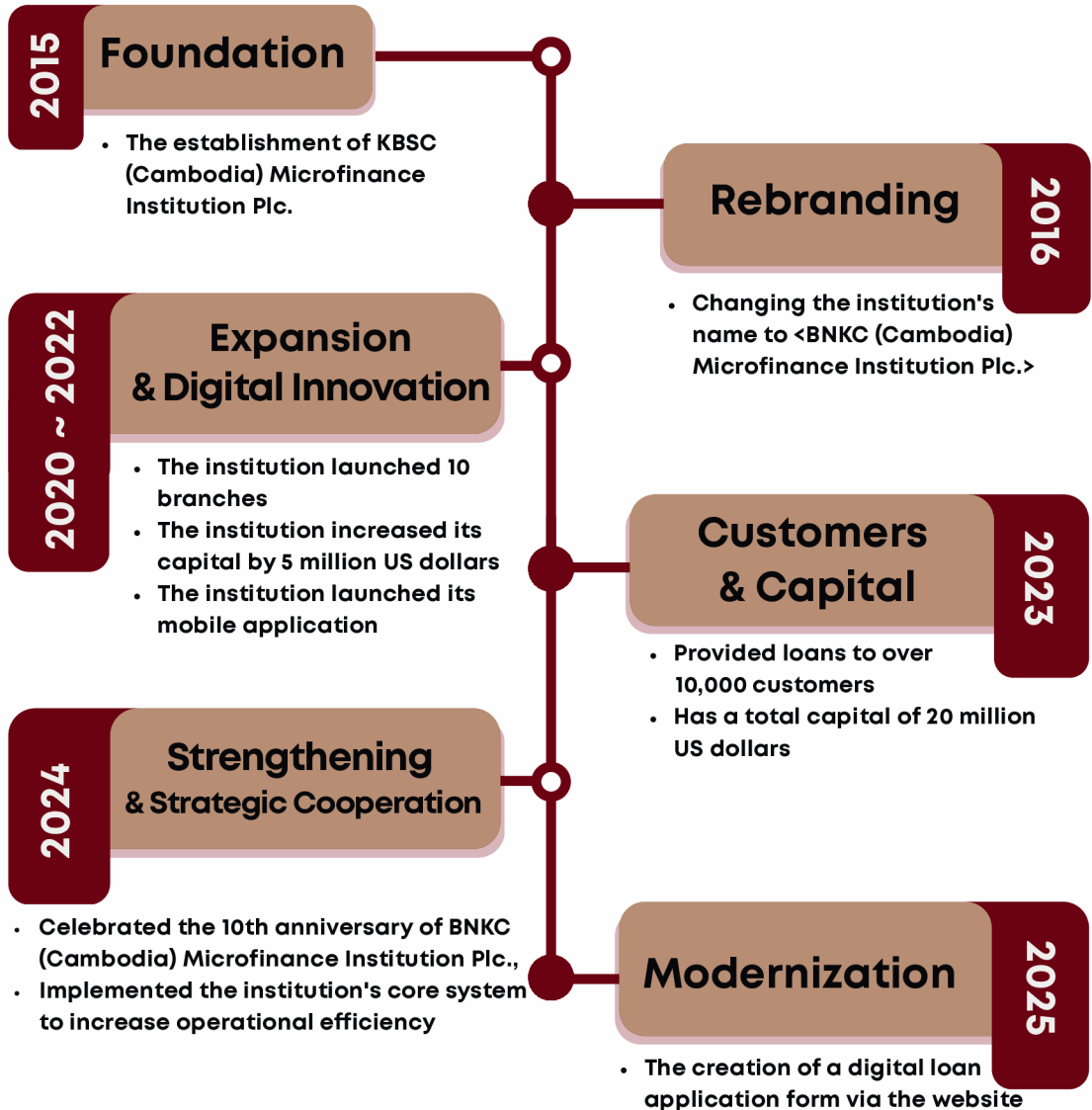
Mission

To elevate the living standards of the citizens in Cambodia, and strengthen the value of customers, staff, shareholders, and the nation through providing the best financial services.

Strategic Goals

- Increase integrity and profitability
- Create clear products and expand market areas
- Increase asset quality by strengthening risk management

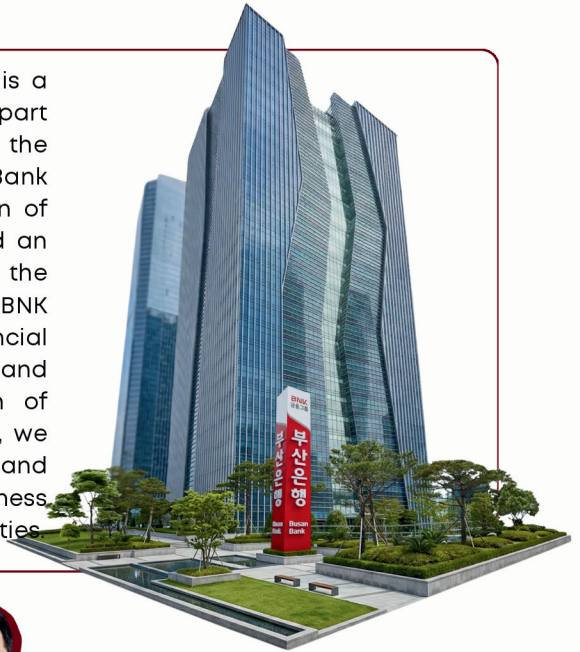
BNKC's Milestones



03 MANAGEMENT AND GOVERNANCE

Shareholders

BNKC (Cambodia) Microfinance Institution Plc. is a major subsidiary of BNK Capital Co., Ltd. and a part of BNK Financial Group, a leading company in the Republic of Korea (the shareholder of Busan Bank and Kyung Nam Bank). With a solid foundation of total assets exceeding 9 billion US dollars and an operational network in 6 countries across the Southeast Asian and Central Asian regions, BNK Capital Co., Ltd. offers comprehensive financial solutions, including car loans, personal loans, and corporate financing. Through the integration of digital innovation and high professional ethics, we are firmly committed to providing transparent and responsible services to become the best business partner for Cambodian customers and communities.



Mr. OH SEONGHO
Chairman of the Board

Board of Directors



Mr. CHOI WONTAIK
Member



Mr. MOON SUNGJIN
Member



Mr. LEE SUKYEOP
Member

Top Managements



Mr. MOON SUNGJIN
Chief Executive Officer

Mr. MOON SUNGJIN has held the position of Chief Executive Officer of BNKC (Cambodia) Microfinance Institution Plc. since January 2024. He is a leader who has work experience with BNK Capital since 2012, having passed through many important roles, including Head of the Credit Evaluation Team and Head of the Financial Anti-Fraud Team. In particular, he previously held the position of Managing Director at BNKC (Cambodia) Microfinance Institution Plc., between 2016 and 2018, an experience that provided him with a deep understanding of the financial market context in Cambodia. Before returning to lead operations in Cambodia once again, he was responsible as the Head of the Customer Protection Team at the headquarters of BNK Capital. Under his leadership, international risk management experience has been integrated with domestic market expansion strategies to drive sustainable growth.



Mr. JANG HYUNSEOK
Director

Mr. JANG HYUNSEOK has held the position of Deputy Chief Executive Officer of BNKC (Cambodia) Microfinance Institution Plc. since January 2023, bringing more than 10 years of experience in the financial sector of the Republic of Korea. He graduated with a Bachelor's Degree in International Trade from Dong-A University in 2006. Before joining the institution, he had a distinguished work history, serving as a core member of the Financial Project Team at Heung-Kook Savings Bank for 6 years. He joined BNK Capital in 2014, and based on his outstanding work achievements, he was trusted to assume a succession of positions, including: Member of the Strategic Planning Team, Head of the Financial Project Team, and Head of the Financial Planning Team. With his deep specialized expertise in strategic planning and financial management, he is an important driving force in boosting the work efficiency of the institution's financial and operational structures to become even stronger.

Head of Departments



Ms. POUV SALEM
Head of Planning Department



Mr. UN RATTANAK
Head of HR and Admin Department

Ms. POUV Salem holds the position of Head of the Planning Department within the institution. She joined the institution in January 2016 as the Assistant to the Chief Executive Officer. She also previously participated in multiple research and analysis projects focused on social and economic development at a university in the Republic of Korea before returning to Cambodia. Ms. Pov Salem graduated with a Master's Degree in Public Administration in 2014, and completed two Bachelor's Degrees, one in Economics and one in Public Administration, at Ewha Womans University in the Republic of Korea in 2011.

Mr. UN Rattanak holds the position of Head of the Human Resources and Administration Department. He joined the institution in June 2016. Prior to starting his career at the institution, he served as the Head of the Administration and Finance Department and as a Project Manager Assistant at a construction company for 3 years. Mr. Un Rattanak graduated with a Master's Degree in Business Administration from Build Bright University in March 2015. In 2012, he completed two Bachelor's Degrees concurrently: the first in Intercultural Studies, and the second in English Literature from KOSIN University in Busan, Republic of Korea.

Furthermore, he has completed professional technical training courses on: Human Resources Management Expert; Value Added Tax Declaration via Reverse Charge Method and the Use of Tax E-Services; Project Management Expert; Effective Performance Management Processes; Principles and Benefits of NSSF Members on Pensions; Payroll Management and Cambodia Tax Settlement; Calculation of Employee Benefits in the Banking and Financial Sector; Strategies for Recruiting and Retaining Human Resources Personnel and Compliance in the Financial Sector; Human Resources Management for Frontline Managers; Labor Law and Legal Compliance; Policy Writing and Human Resources Management Guidelines; Employee Performance Management and Leadership; and Administration and Office Management, etc.



Mr. PHENG PHEAK
Head of Finance Department

Mr. PHENG Pheak joined the institution in August 2019 in the position of Head of the Financial Department. He has over 18 years of work experience in the microfinance sector. Prior to starting his career with the institution, he worked at microfinance deposit-taking institutions and international companies in various positions, such as: Internal Auditor, Senior Accountant, Senior Management Accountant, Financial Controller, Business Analysis Manager, Budget Planning Manager, and Head of the Financial and Administration Department. He also has experience in core banking system migration, workflow optimization, and served as a university lecturer for six years in accounting and auditing subjects.

He graduated with a Master's Degree in Financial Management from the University of Law and Economics in 2011, and completed Bachelor's Degrees in Finance and Accounting, as well as in English Literature, from the National University of Management and Norton University, and is currently pursuing professional accountant certification. In addition, he has completed professional technical training courses on: Financial Performance Indicators Analysis; Asset and Liability Management; Risk Management; Balance Sheet Reporting; Credit Risk Exposure; Cambodian International Financial Reporting Standards (CIFRS) and Cambodian International Financial Reporting Standards for Small and Medium Enterprises (CIFRS for SMEs); Cambodian Tax System; Internal Control Systems; Risk Management; Manager Development Program; and Leadership.



Mr. Sar Thatola
A. Head of Credit Department

Mr. SAR Thatola began working at the institution in February 2025. He has more than 19 years of experience in the microfinance sector. He previously served as a Credit Officer, District Branch Manager, Provincial Deputy Branch Manager, and Regional Director with multiple microfinance institutions, and as a Branch Support Manager with a specialized bank in Cambodia, and was also a primary school teacher. He also graduated with a Bachelor's Degree in Banking and Finance from Build Bright University in 2010, and has participated in various other training courses such as: Developing Oneself as a Manager and Leader; Effective Problem Solving Skills; Communication Skills; and Primary School Pedagogy, among others.

Head of Departments



Mr. SIN SOKNEANG
Head of Credit Assessment Department

Mr. SIN Sokneang joined the institution in December 2022. He has more than 15 years of experience in the microfinance sector. He previously served as a Credit Officer, Senior Credit Officer, Area Manager, Branch Manager, Regional Director, and Deputy Head of the Branch Management Department with a microfinance institution in Cambodia. Mr. Sin Sokneang completed his Master's Degree in Finance at the National University of Management in 2012, and a Bachelor's Degree in Agriculture at Maharishi Vedic University in Prey Veng Province in 2004. He has also participated in various other training courses such as: Developing Oneself as a Leader; Core Trainer; Prevention and Management of Delinquent Loans; and Public Speaking, among others.



Mr. HEAB CHAMRAOEN
Head of Loan Recovery Department

Mr. HEAB Chamraoen began working at the institution in June 2023. He has more than 10 years of experience in the microfinance sector. He previously served as a Credit Officer, Senior Credit Officer, Senior Debt Recovery Officer, Deputy Branch Manager, and Branch Manager with a microfinance institution in Cambodia. He completed his Bachelor's Degree in Accounting at Chea Sim Kamchaymear University in Prey Veng Province in 2016. He has also participated in various other training courses such as: Developing Oneself as a Leader; Core Trainer; Prevention and Management of Delinquent Loans; and Public Speaking, among others.



Mr. AN SOKHAK
Head of IT Department

Mr. AN Sokhak joined the institution in April 2015. Prior to joining, he served as a Database Management Officer at an institution for 2 years, and as a computer software developer at a company for 2 years. He was also an IT Coordinator staff member at an international school for 1 year and a computer software development teacher. He graduated with a Bachelor's Degree in Computer Engineering and Technology from the Royal University of Phnom Penh in 2009. He has participated in numerous technology training courses in areas such as C-Programming, C++, Java, C#, VB.net, PHP, MySQL, SQL Server, Database Management System, and IT.



Mr. ROEUN RITHEA
Head of Internal Audit Department

Mr. ROEUN Rithea joined the institution in May 2019. He began his career as an internal auditor in the banking and finance sector for over 13 years. Prior to working at the institution, he served as an Internal Auditor at a microfinance institution for 4 years, and as a Senior Internal Auditor at a microfinance deposit-taking institution for 5 years. He completed his Bachelor's Degree in Accounting at Norton University in 2009, and is currently pursuing a Master's Degree in Private Law at Preah Sihanouk Raja Buddhist University. To supplement his auditing knowledge, he has participated in many short courses, such as: Internal Control and Fraud Risk Prevention; Cambodian Tax Law; Internal Audit Management; Contract Law and Loan Agreements in Financial Operations; and Fundamentals of Internal Audit; and received a Senior Auditor Certificate recognized by IFC from the Institute of Banking and Finance.

Head of Departments



Ms. SIE NAILENG
Head of Compliance Department

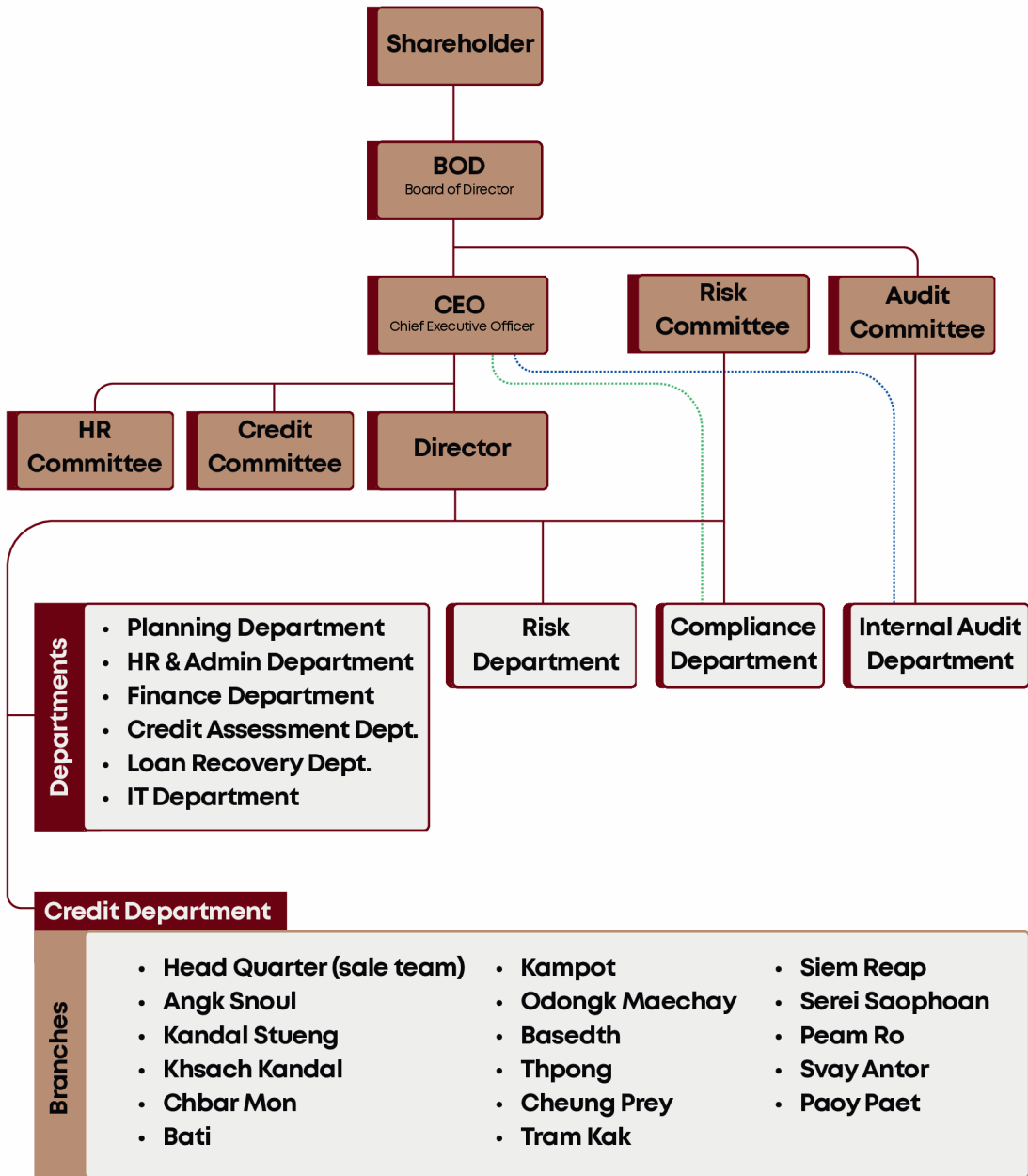


Mr. CHEA VANNARITH
Senior Assistant of Risk Department

Ms. SIE Naileng joined the institution in January 2019 in the position of Head of the Compliance Department. Prior to starting her career at the institution, she served as a lawyer's assistant and as a compliance officer at an institution, and she was also a legal consultant and researcher. She is officially recognized by the National Bank of Cambodia and the Cambodia Financial Intelligence Unit in the function of Compliance Officer. Ms. Sear Naileng graduated with a Bachelor's Degree in Law from the Royal University of Law and Economics in 2017, and also completed a Master's Degree in Private Law at Preah Sihanouk Raja Buddhist University and a General English program at Paññāsāstra University of Cambodia. In addition, she has completed professional training courses on Regulatory Compliance and Anti-Money Laundering at the Institute of Banking and Finance as well as the Cambodia Microfinance Association, etc.

Mr. CHEA Vannarith, Senior Assistant of the Risk Management Department, joined the institution in October 2023. He has nearly 10 years of experience in the financial sector. Prior to starting work with the institution, he served in the roles of Credit Officer, Credit Risk Management Officer, and Senior Operational Risk Management Officer, and he was also a member of a core trainer team. Mr. Chea Vannarith completed a Bachelor's Degree in Mathematics in 2015 at Svay Rieng University, Svay Rieng Province. He has also participated in numerous other training courses, such as: Financial Risk Management; Risk Management in Banking and Financial Institutions; Operational Risk Management; Small and Medium Enterprise (SME) Credit Assessment; and Core Trainer skills courses.

Organizational Structure



04 | OUR OPERATIONS

Loan Products



Car Loan

The Car Loan is designed for customers who intend to purchase a car for use in business and family needs. The loan size offered is up to USD 30,000 or the equivalent in Khmer Riel, and has a duration of up to 72 months.

Personal Loan

The Personal Loan is offered to customers for purchasing general consumer goods and various personal expenses. The loan size offered is USD 15,000 or the equivalent in Khmer Riel, and has a loan duration of up to 60 months.



Agricultural Loan

The Agricultural Loan is offered to customers who intend to engage in or expand agricultural activities (purchasing seeds, purchasing fertilizer, purchasing agricultural land, purchasing machinery or various related agricultural machines) in order to generate income from agricultural occupations such as farming, animal husbandry, and fishing, among others. The loan size offered is up to USD 50,000 or the equivalent in Khmer Riel, and has a loan duration of up to 72 months.





Home Loan

The Home Loan is offered to customers who need to purchase land for residential construction, or purchase a house, or purchase a condo, or construct a new house. The loan size offered is USD 200,000 or the equivalent in Khmer Riel, and has a loan duration of up to 72 months.

Home Improvement Loan

The Home Improvement Loan is specifically for customers who need capital to renovate an existing home or small-to-medium-sized building. The loan size offered is up to USD 20,000 or the equivalent in Khmer Riel, and has a loan duration of up to 60 months.



Solar Loan

The Solar Loan is a personal or business loan designed for customers who need capital to install solar panels at their business location or residence. The loan size offered is up to USD 30,000 or the equivalent in Khmer Riel, and has a loan duration of up to 72 months.

Business Loan

The Business Loan is designed for customers who need capital to expand or establish a new trade in business, handicrafts, commerce, industry, and services to achieve greater profitability. The loan size offered is according to the customer's needs up to 10% of the capital or the equivalent in Khmer Riel, and has a loan duration of up to 72 months.



Business Performance

Over the past 3 years, BNKC (Cambodia) Microfinance Institution Plc. has strategic realigned its loan portfolio to balance risk management with growth opportunities. Despite a decrease of approximately 11.03% in total outstanding loans (2023: 75.19 million down to 2025: 66.90 million), the institution has strengthened and shifted its focus toward providing secure loans and niche markets, ensuring long-term stability while the economic situation evolves. Key achievements this year include growth in loan applications for personal consumption and agriculture, implementing risk mitigation measures for unsecured credit products, and expanding agricultural credit outreach to support the agricultural sector in Cambodia.

By Loan Type	2023	2024	2025 (in USD)
Gross Loans	75,193,381	70,234,621	70,234,621
Business Loan	79,874,428	26,745,519	26,745,519
Personal Loan	6,588,748	5,614,342	5,614,342
Car Loan	1,967,825	1,912,708	1,912,708
Home Improvement Loan	20,057,833	19,671,940	19,671,940
Home Loan	15,583,775	15,249,483	15,249,483
Agriculture Loan	656,634	651,253	651,253
Unsecured Loan	122,991	140,158	140,158
Others	341,147	254,217	254,217



Website Loan Application Form

In this year of 2025, BNKC (Cambodia) Microfinance Institution Plc. has taken another major step forward in its digital transformation through the launch of the “Website Loan Application Form.” This new initiative was developed with the purpose of facilitating customers' credit applications to be more convenient, fast, and transparent.

Enhancing the Digital Experience for Customers



Privacy and Security

Convenient and Simple



Through this new online system, customers anywhere can easily apply for all types of loans at any time simply by filling out a few pieces of necessary information via mobile phone or computer. This system not only helps reduce customers' time and travel, but also helps increase efficiency for the internal team to receive and respond back to customers promptly, reflecting the institution's commitment to providing responsible and innovative financial services.

Customer Testimonials

The achievements and growth of the institution cannot be separated from the success of our customers; as a responsible financial partner, we always put customers first in our operational strategy. The paragraphs below are genuine testimonials and feedback from customers, reflecting trust, transparency, and a strong partnership that has contributed to transforming their business goals and livelihoods for a sustainable betterment.



Customer 'Kan Sophat', Business Loan

I am Kak Sophat. I used to have a dream of establishing a grocery business in the village where I live, but due to not having enough capital, I abandoned my dream and went to work in a factory. However, after meeting the staff of BNKC (Cambodia) Microfinance Institution, they introduced me to use BNKC's Business Loan service. I discussed it with my family and decided to use the business loan service with BNKC. Now, I have opened a grocery stall in the village where I live, which generates more income for me than before. Next year, I will utilize additional business loan services from BNKC (Cambodia) Microfinance Institution to expand my trade into a grocery wholesale location to further increase my income. I would like to thank BNKC (Cambodia) Microfinance Institution for making my dream come true and for making my family's livelihood better than before. Fellow merchants who need financial assistance can use the services of BNKC Microfinance Institution! BNKC changed my life, so BNKC will help you just the same.

Customer 'Nguon Boren', Housing Loan

I am Nguon Boren. I am a factory worker near Bek Chan Market, Kandal Province. Before knowing BNKC (Cambodia) Microfinance Institution, I faced great difficulty because I lived in a rented house. But when I came to know BNKC (Cambodia) Microfinance Institution, I took a loan to build a house; this loan helped me to have a home of my own to live in as well. Now, through this growth, I can provide a better life for my family and have a decent house for my family to live in. When there are additional needs, I plan to apply for a loan from BNKC (Cambodia) Microfinance Institution once again to fulfill my requirements. I thank the institution very much, and if any brothers or sisters need financial assistance, you can use the services here! BNKC changed my life, and BNKC will help you just the same.

05 RISK MANAGEMENT

Anti-Money Laundering and Combating the Financing of Terrorism

The protection framework of BNKC (Cambodia) Microfinance Institution, established by the Compliance Department, clearly demonstrates the commitment to preventing money laundering and the financing of terrorism. The initial step of implementing high customer due diligence is the "Know Your Customer" (KYC) procedure, which is the foundation of the AML/CFT framework of BNKC (Cambodia) Microfinance Institution for assessing associated risk levels.

Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) are international issues affecting the economy and social security. To fight against these acts, many countries have put in place clear enforcement measures to obstruct and prevent money laundering and the processes of criminals who attempt to convert funds obtained from illegal activities into legitimate funds.

Meanwhile, the financing of terrorism is the supply of resources or funds to support terrorist activities, even if those funds do not originate from illegal sources. Implementing measures against these acts is vital to protecting the financial system from being used for illegal purposes; it helps maintain the economic system, adheres to international procedures, and increases trust from foreign investors. Within Cambodia, the primary entities responsible for this matter include the National Bank of Cambodia and the Cambodia Financial Intelligence Unit, which cooperate with national and international institutions to strengthen the AML/CFT system.

Internal Strengthening and Training

To ensure that staff receive adequate training, the institution has organized extensive training on a quarterly basis, ensuring that all staff are updated on regulatory requirements and internal procedures through various methods such as in-person training or through accessible videos. The critical training conducted is the training on "Money Laundering and Financing of Terrorism in the Banking Institution Sector," which aims to promote understanding and attentiveness to prevent money laundering in the banking institution sector. This training focuses on the dangers of Anti-Money Laundering (AML) and Combating the Financing of Terrorism (CFT) activities, as well as combating methods including "Know Your Customer" (KYC) procedures and understanding the various transactions of customers.

The definition of money laundering is the process of making income obtained from illegal sources appear to be income with legitimate sources, through steps such as Placement, Layering, and Integration. Meanwhile, terrorist financing is the supply of resources or assets to entities or individuals involved in terrorist activities. This training session also highlights the role of the institution in monitoring unusual activities and reporting to competent authorities in case of suspicion.

In addition, training on customer complaint resolution is also a key point in building staff capacity and skills to provide services to customers effectively; it can help increase service quality and strengthen customer trust. Customer complaint resolution is an essential process for maintaining and improving relationships with customers.

Internal Audit Committee

The Audit Committee of BNKC (Cambodia) Microfinance Institution has fulfilled a vital function in ensuring the financial integrity and regulatory compliance of the institution. The primary purpose of the Audit Committee is to establish a robust framework for financial reporting, oversee both internal and external audit processes, evaluate the effectiveness of the institution's internal control systems, and monitor adherence to all relevant laws and regulations. Furthermore, the Audit Committee also oversees the tasks of the internal audit function, ensuring operational independence and efficiency.

Composition of the Audit Committee:

Independent Board Member	Chairperson
Director	Member
Head of the Compliance Department	Member
Representative of the Internal Audit Department	Participant



The Audit Committee was established to define the processes of financial reporting, auditing procedures, the institution's internal control systems, and compliance with laws and regulations. The responsibility of the Audit Committee is to review the accuracy of financial reports, internal financial control systems, internal audit and compliance functions, as well as the services provided by external auditors. The work duties of the Audit Committee consist of reviewing the annual results report of the internal audit, and approving the review of the duties and roles of the Audit Committee, with the exception of making amendments to policies or various regulations.

Risk Management Committee

The Risk Management Committee, led by an independent board member, is responsible for approving risk management strategies and overseeing compliance with those strategies. In performing its duties, the Committee must properly consider the long-term financial interests of the institution, existing risks, and the demonstrable capacity for effective risk management.

Risk Management within the Institution

- **Market Risk**
- **Operational Risk**
- **Credit Risk**



- **Fraud Risk**
- **Liquidity Risk**
- **Compliance Risk**

Composition of the Risk Management Committee:

Independent Board Member	Chairperson
Chief Executive Officer	Member
Head of the Compliance Department	Member
Head of the Credit Assessment Department	Member
Head of the Risk Management Department	Member
Head of the Relevant Department	Participant

06 HUMAN RESOURCES DEVELOPMENT & MANAGEMENT

Internal Training

BNKC (Cambodia) Microfinance Institution Plc. consistently establishes internal training programs for all staff to strengthen their knowledge and skills in each individual role, fostering growth from year to year. This training is conducted not only with the purpose of providing staff with a clearer understanding of their job roles, but also to cultivate a professional mindset and code of ethics, and to elevate the value of the staff within the financial sector. Internal training is conducted by management level staff—particularly high-capacity personnel or professional experts within the institution—to share knowledge and ensure the correct implementation of the institution's policies and guidelines.

Training Course in 2025

Responsible Department

- | | |
|---|-------------------------|
| • Occupational Safety and Health (OSH) Training | HR and Admin Department |
| • Training on the Roles and Responsibilities of Credit Officers | Credit Department |
| • Apprenticeship training | HR and Admin Department |
| • Principles of AML and CFT | Compliance Department |
| • Whistleblowing | Compliance Department |
| • Customer Complaint Resolution of BNKC Microfinance Institution (MFI) / CBC | Compliance Department |
| • Financing the Multiplication of Weapons of Mass Destruction and Asset Freezing | Compliance Department |
| • Implementation of Meeting Room Booking, Vehicle Booking, and E-document Systems | Planning Department |

External Training

BNKC (Cambodia) Microfinance Institution Plc. has heavily invested in its human resources primarily by arranging to send its staff to participate in training courses at external entities and workshops organized by the National Bank of Cambodia, the Cambodia Microfinance Association, the General Department of Taxation, the Credit Bureau Cambodia, and other relevant ministries, such as the Ministry of Labor and Vocational Training and the Ministry of Commerce, among others. Training outside of the institution is conducted with the purpose of strengthening staff capacity to possess broader knowledge, maintain efficient work execution, and help the institution's business operations continuously progress forward in compliance with commercial laws, international accounting standards, and especially the regulations and declarations issued by the National Bank of Cambodia and the General Department of Taxation.

Certification in Responsible Lending

This certification focuses on ethical principles and borrower protection, which are key to providing finance for the Cambodian banking sector. This course will help staff whose work involves lending to gain the necessary knowledge and practice in building trust with our customers through addressing customer protection and avoiding over-indebtedness.



As a result, among the staff whose work involves lending, 127 individuals registered for this training course, completed it, and received their certificates in the year 2025.

In supporting the capacity building of staff responsible for credit provision—which is supported and recognized by the National Bank of Cambodia, as well as aligned with the national strategy linked with financial inclusion in Cambodia—BNKC (Cambodia) Microfinance Institution has actively participated in the training course on the Certification in Responsible Lending, which was facilitated by the Institute of Banking and Finance. BNKC (Cambodia) Microfinance Institution also plans to continue sending credit-related staff to register for training in the coming years as well.

Build Future Talent

BNKC (Cambodia) Microfinance Institution has organized an annual internship program that complies with ministerial requirements and helps drive talent development for the future of Cambodia. This initiative demonstrates our commitment to supporting capable youth and contributing to the growth of the nation.



In this year, we welcomed nine talented internship students from various universities across Cambodia. Each intern was assigned to a department aligned with their studied skills or capabilities to ensure a meaningful and relevant experience. The program has a duration of three months, providing real-world opportunities for the interns to grow professionally and contribute to our institution.

Upon completion of the program, participants will receive a certificate of honor to celebrate their achievements and help propel the next steps in their careers. BNKC (Cambodia) Microfinance Institution is committed to maintaining this position in subsequent years to sustain a culture of empowering talented youth and building a bright future for Cambodia.

Outstanding Staff and Branch Awards

For the recognition of outstanding staff awards, there are two categories based on effort, loyalty, individual achievements, and branches. One outstanding staff member in each section is selected according to their respective work results that exceeded expectations and had a positive impact on the institution. The award offered to the staff is a study tour to Korea and participation in the “2025 BNK Global Week” program organized by the parent company in Korea.



Regarding the branch awards, they are selected based on the criteria and KPIs set at the beginning of the year, and the branches that achieve them will receive an award and a certificate.



07 | SOCIAL RESPONSIBILITY

Happy Sharing 2025

BNKC (Cambodia) Microfinance Institution Plc. has established the "Happy Sharing" program annually with the purpose of sharing love, protection, and demonstrating care for the wellbeing of the citizens who are fellow brothers and sisters within the community.



On Saturday, September 13, 2025, the institution went to share love at Hun Sen Ang Lberk Primary School, located in Srae Chrov Village, Lberk Commune, Chhouk District, Kampot Province, to distribute educational materials, sports equipment, clothing, playground equipment (swings), and some monetary allowances to the students and teachers there.

Even though this sharing consists of minor gifts, all of us—the management team as well as all institution staff—hope that it will contribute a part to the needs of the students, as well as provide encouragement to all students to strive in their studies and continue their hopes. The institution will continue to strive to create sharing activities within society, communities, and for students facing difficulties in subsequent years.



Supporting Heroic Frontline Soldiers

In alignment with the institution's core values of contributing to sustainable social and community development, BNKC (Cambodia) Microfinance Institution Plc. consistently places high importance on humanitarian activities and building national solidarity. Specifically, in the year 2025, the institution and staff at all levels joined together to establish a meaningful charitable program to express gratitude and support the spirit of sacrifice of the heroic soldiers who are fulfilling their duties to protect the homeland, as detailed below:

On the morning of August 26, 2025, BNKC (Cambodia) Microfinance Institution Plc., represented by the Deputy Chief Executive Officer, Mr. Jang Hyunseok, led a staff working group to visit and bring donations of food supplies, as well as various necessary consumer items, to present to the commanders and heroic frontline soldiers stationed and fulfilling their duties along the border lines in Preah Vihear Province.



All of these funds and materials originated from donation funds contributed with a spirit of charity and solidarity by the institution and staff at all levels to express deep appreciation and gratitude to the heroic frontline soldiers who have sacrificed their physical and mental strength to protect territorial integrity and maintain safety for the citizens and the entire nation.

This humanitarian activity is not only an expression of gratitude, but it is also a clear testament to the firm commitment of the institution to stand as a financial institution that does not solely focus on business growth, but also closely binds itself to the wellbeing of the nation's society. Moving toward the future, BNKC (Cambodia) Microfinance Institution resolutely commits to continuously expanding its corporate social responsibility activities to be more diverse and of a larger scope than before, in order to actively contribute alongside the Royal Government in building strong communities, protecting the interests of the people, and participating in maintaining stability as well as sustainable development for the entire nation.

09**FINANCIAL STATEMENTS**

■ **For the date ended December 31, 2025**



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INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF BNKC (CAMBODIA) MICROFINANCE INSTITUTION PLC.

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of BNKC (Cambodia) Microfinance Institution Plc. (“the Company”), which comprise statement of financial position as at 31 December 2025, and statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year ended, and a summary of significant accounting policies, as set out on pages 8 to 34.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance and cash flows for the financial year then ended in accordance with Cambodian International Financial Reporting Standards for Small and Medium-sized Entities and the guidelines issued by the National Bank of Cambodia.

Basis for Opinion

We conducted our audit in accordance with Cambodian International Standards on Auditing (“CISAs”). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the Code of Ethics for Professional Accountants and Auditors of the Kampuchea Institute of Certified Public Accountants and Auditors (“Code of Ethics”) and the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants(including International Independence Standards) (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and the IESBA Code.

Information Other than the Financial Statements and Auditors’ Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors’ Report but does not include the financial statements of the Company and our auditor’s report thereon.

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

Information Other than the Financial Statements and Auditors' Report Thereon

In connection with our audit of the financial statements of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company 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 the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Cambodian International Financial Reporting Standards for Small and Medium-sized Entities and the guidelines issued by the National Bank of Cambodia. The Directors are also responsible for such internal control as the Directors determine are necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are 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 the Directors either intends to liquidate the Company, or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Company, 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.

Auditors' Responsibilities for the Audit of the Financial Statements

- 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 the Directors.
- 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 of the Company 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 of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors 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.

Other Matters

This report is made solely to the shareholders of the Company, as a body. We do not assume responsibility to any other person for the content of this report.

The financial statements of the Company for the financial year ended 31 December 2024 was audited by another firm of Certified Public Accountants, whose report dated 24 April 2025 expressed an unqualified opinion on those statements.

For and on behalf of

BDO (Cambodia) Limited



Lee Ken Wai
Certified Public Accountant

Phnom Penh, Cambodia

Date: 24 April 2026

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	2025		2024	
		US\$	KHR'000	US\$	KHR'000
ASSETS					
Cash on hand	7	140,510	563,867	131,532	529,416
Balances with National Bank of Cambodia	8	4,076,994	16,360,977	2,380,194	9,580,281
Balances with other banks	9	1,027,494	4,123,333	1,032,851	4,157,225
Loans and advances to customers	10	62,323,342	250,103,571	66,810,364	268,911,715
Other assets	11	680,608	2,731,280	455,823	1,834,689
Property and equipment	12	690,969	2,772,859	1,059,107	4,262,906
Intangible asset	13	42,989	172,515	68,480	275,632
Deferred tax assets	16	1,669,874	6,701,204	1,481,269	5,962,108
TOTAL ASSETS		70,652,780	283,529,606	73,419,620	295,513,972
LIABILITIES AND EQUITY					
LIABILITIES					
Borrowings	14	52,248,228	209,672,139	52,240,430	210,267,731
Other liabilities	15	377,165	1,513,563	473,942	1,907,618
TOTAL LIABILITIES		52,625,393	211,185,702	52,714,372	212,175,349
EQUITY					
Share capital	17	20,000,000	80,000,000	20,000,000	80,000,000
Regulatory reserve	18	6,613,570	26,607,437	5,598,350	22,533,359
Accumulated losses		(8,586,183)	(34,421,489)	(4,893,102)	(19,606,510)
Currency translation differences		-	157,956	-	411,774
TOTAL EQUITY		18,027,387	72,343,904	20,705,248	83,338,623
TOTAL LIABILITIES AND EQUITY		70,652,780	283,529,606	73,419,620	295,513,972

STATEMENT OF COMPREHENSIVE INCOME

for the Financial year ended 31 December 2025

	Note	2025		2024	
		US\$	KHR'000	US\$	KHR'000
Interest income	19	6,759,373	27,111,845	11,610,513	47,266,398
Interest expense	20	(3,382,276)	(13,566,309)	(3,955,562)	(16,103,093)
Net interest income		3,377,097	13,545,536	7,654,951	31,163,305
Fee and commission expense	17	(461,437)	(1,850,824)	(201,894)	(821,910)
Other operating income	22	288,472	1,157,061	490,193	1,995,576
Total operating income		3,204,132	12,851,773	7,943,250	32,336,971
Personnel expenses	23	(2,631,410)	(10,554,586)	(2,856,678)	(11,629,536)
Depreciation and amortiza	24	(455,410)	(1,826,650)	(657,214)	(2,675,518)
General and administrative	25	(1,644,272)	(6,595,175)	(3,100,383)	(12,621,660)
Reversal of impairment loss on balances with other financial institutions	9	53	213	51,130	208,150
Impairment losses on loans and advances to customers	26	(930,520)	(3,732,316)	(3,046,135)	(12,400,816)
Loan and advances to customers written off		(409,039)	(1,640,655)		
Loss before tax		(2,866,466)	(11,497,396)	(1,666,030)	(6,782,409)
Tax benefit	27	188,605	756,495	407,047	1,657,088
Loss for the financial year		(2,677,861)	(10,740,901)	(1,258,983)	(5,125,321)
Other comprehensive income, net of tax-foreign currency translations	6	-	(253,818)	-	(1,259,940)
Total comprehensive loss for the financial year		(2,677,861)	(10,994,719)	(1,258,983)	(6,385,261)

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2025

	Share capital		Regulatory reserves		Retained earnings/ (Accumulated losses)	Currency translation differences KHR'000	Total
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$
Balance as at 1 January 2024	20,000,000	80,000,000	-	-	1,964,231	1,671,714	21,964,23
Loss for the financial year	-	-	-	-	(1,258,983)	-	(1,258,983)
Foreign currency translations	-	-	-	-	-	(1,259,940)	(1,259,940)
Total comprehensive loss	-	-	-	-	(1,258,983)	(1,259,940)	(1,258,983)
Transactions with owner	-	-	-	-	-	-	-
Transfer to regulatory reserve, representing total transactions with owner	5,598,350	-	5,598,350	22,533,359	(5,598,350)	-	-
Balance as at 31 December 2024	20,000,000	80,000,000	5,598,350	22,533,359	(4,893,102)	411,774	20,705,248
Loss for the financial year	-	-	-	-	(2,677,861)	-	(2,677,861)
Foreign currency translations	-	-	-	-	-	(253,818)	(253,818)
Total comprehensive loss	-	-	-	-	(2,677,861)	(253,818)	(2,677,861)
Transactions with owner	-	-	-	-	-	-	-
Transfer to regulatory reserve, representing total transactions with owner	1,015,220	-	1,015,220	4,074,078	(1,015,220)	-	-
Balance as at 31 December 2025	20,000,000	80,000,000	6,613,570	26,607,437	(8,586,183)	157,956	18,027,387
					(34,421,489)		72,343,904

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025		2024	
		US\$	KHR'000	US\$	KHR'000
Cash flows from operating activities					
Loss before tax		(2,866,466)	(11,497,396)	(1,666,030)	(6,782,409)
Adjustment for:					
Depreciation of property and equipment	12	426,817	1,711,963	481,771	1,961,290
Net provision for loan losses, and balances with other banks		930,467	3,732,103	2,995,005	12,192,666
Loan and advances to customers written off		409,039	1,640,655	-	-
Interest income	19	(44,833)	(179,825)	-	-
Interest expenses	14	3,382,276	13,566,309	3,955,562	16,103,093
Amortisation of intangible assets	13	28,593	114,687	175,443	714,228
Gain on disposals of property and equipment		(182)	(730)	66	269
Impairment of intangible assets		-	-	1,131,579	4,606,658
Operating profit before working capital changes		2,265,711	9,087,766	7,073,396	28,795,795
Changes in working capital					
Loan and advances to customers		3,147,463	12,630,769	1,063,945	4,331,320
Other assets		(89,781)	(360,293)	(71,918)	(292,778)
Other liabilities		(96,867)	(388,727)	29,918	121,796
Cash generated from operations		5,226,526	20,969,515	8,095,341	32,956,133
Income tax paid		(104,098)	(417,536)	(117,070)	(476,592)
Interest paid		(3,367,999)	(13,509,044)	(4,063,544)	(16,542,688)
Net cash from operating activities		1,754,429	7,042,935	3,914,727	15,936,853
Cash flows from investing activities					
Purchase of property and equipment	12	(59,017)	(236,717)	(89,149)	(362,926)
Proceeds from disposal of property and equipment		520	2,086	885	3,603
Purchase of intangible assets	13	(3,102)	(12,442)	(6,496)	(26,445)
Interest received		13,927	55,861	-	-
Net cash used in investing activities		(47,672)	(191,212)	(94,760)	(385,768)

STATEMENT OF CASH FLOWS (continue)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	2025		2025	
		US\$	KHR'000	US\$	KHR'000
Cash flows from financing activities					
Placement on term deposits		-	-	1,640,147	6,677,038
Proceeds from borrowings		48,472,464	194,423,053	28,000,000	113,988,000
Repayment of borrowings	14	(48,478,943)	(194,449,040)	(37,654,320)	(153,290,737)
Net cash used in financing activities		(6,479)	(25,987)	(8,014,173)	(32,625,699)
Net increase/(decrease) in cash and cash equivalents		1,700,278	6,825,736	(4,194,206)	(17,074,614)
Cash and cash equivalents at beginning of financial year		2,554,899	10,283,468	6,749,105	27,570,095
Currency translation differences		-	(33,179)	-	(212,013)
Cash and cash equivalents at end of financial year		4,255,177	17,076,025	2,554,899	10,283,468
Cash and cash equivalents comprise the following:					
	Note	2025		2025	
		US\$	KHR'000	US\$	KHR'000
Cash on hand	7	140,510	563,867	131,532	529,416
Balances with National Bank of Cambodia (excluding statutory deposit)	8	3,076,994	12,347,977	1,380,194	5,555,281
Balances with other banks (exclude accrued interest receivables)	9	1,037,673	4,164,181	1,043,173	4,198,771
		4,255,177	17,076,025	2,554,899	10,283,468



Branch Network

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BNKC MFI Plc.

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