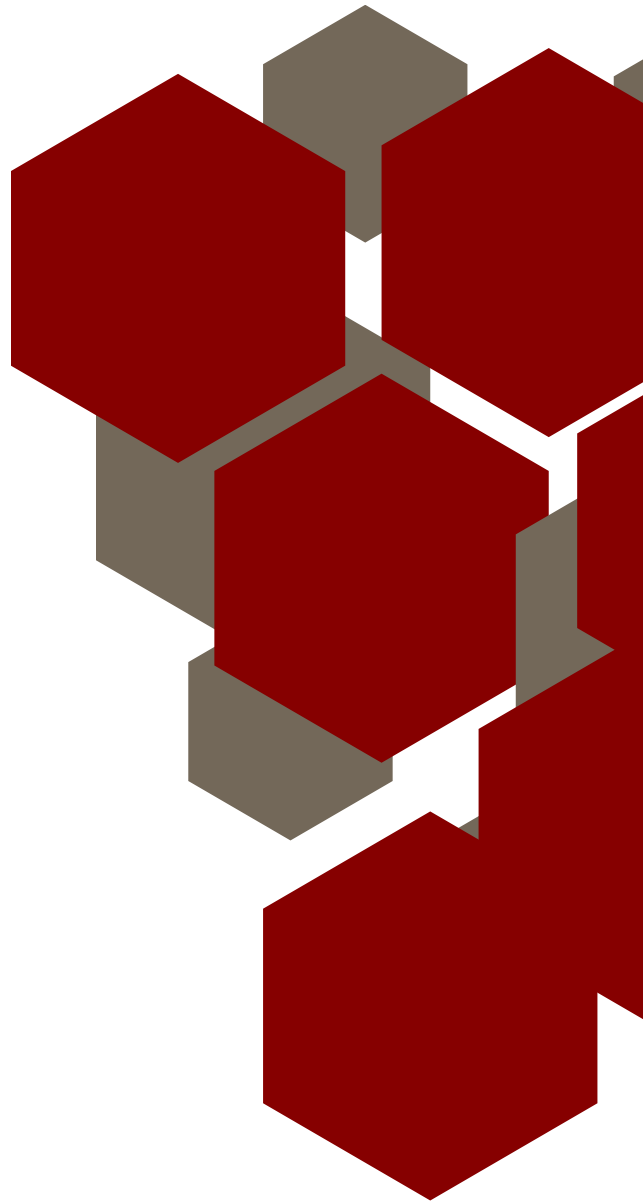


BNK MFI



2023

ANNUAL
REPORT

2023

**ANNUAL
REPORT**

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COMPANY OVERVIEW

BNK

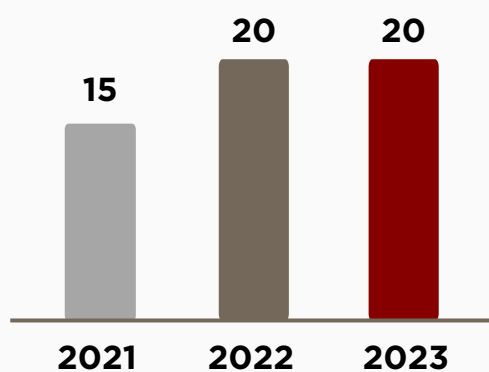
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BNIC (Cambodia) Microfinance Institute Plc.

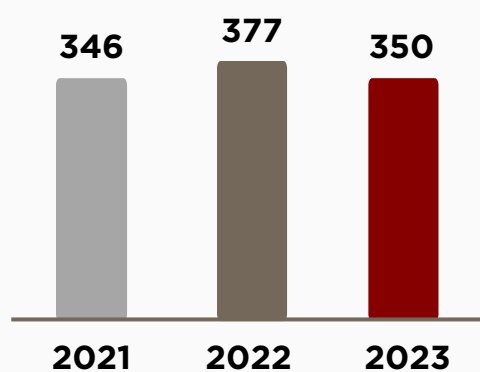
ទីស្នាក់ការកណ្តាល
Head Office

Key Figures

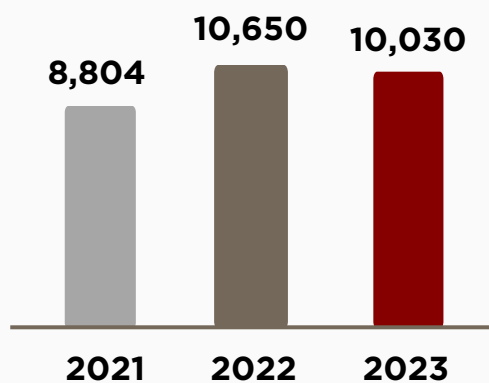
Branch



Staff

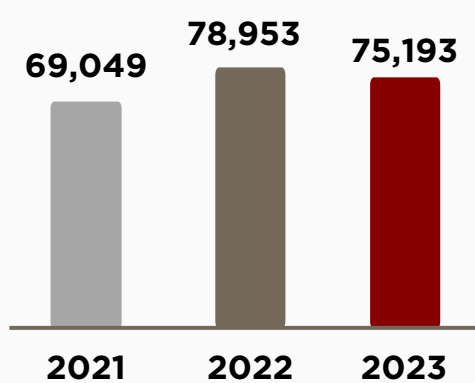


Customer

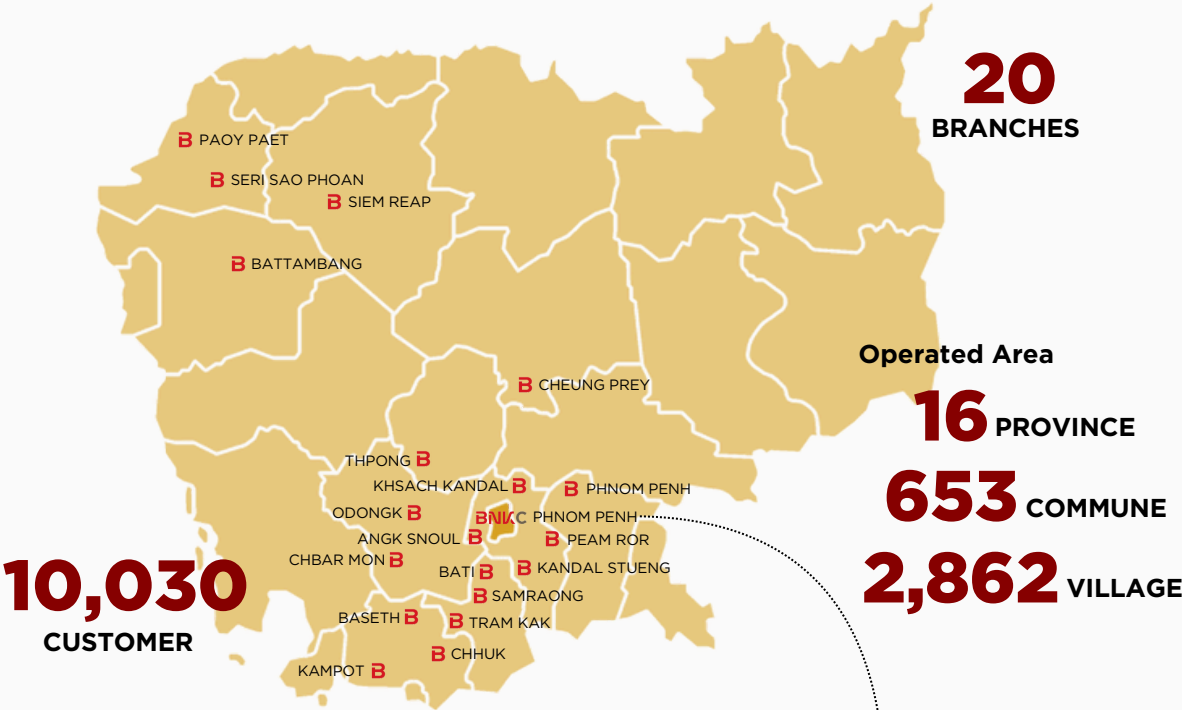


Outstanding Balance

(US\$, Thousand)



Company Information



BNKC (Cambodia) Plc., formerly known as KBSC (Cambodia) Plc., is a limited liability corporation established on March 7, 2014, and licensed by the National Bank of Cambodia on May 7, 2015. The institution received 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 main purpose of the institution is to provide responsible and transparent financial services to the people of Cambodia. Additionally, the company actively contributes to the development of the Cambodian economy through financial coordination and social contributions. It also offers employment opportunities for individuals who wish to develop their abilities and skills and participate in the institution's future growth.



BNKC's Milestones

Obtained a
Microfinance
Institution license from
the National Bank of
Cambodia

2015

2017

2014

Establishment of
KBSC (Cambodia)
Microfinance
Institution Plc.

2016

HQST Branch
Obtained Official
License from the
National Bank of
Cambodia

Change the name of
the company to
« BNKC (Cambodia)
Microfinance
Institution Plc. »

Angk Snuol District
Branch Obtained
Official License from
the National Bank of
Cambodia

Krong Chbar Mon
Branch Obtained
Official License from
National Bank of
Cambodia

2018

Tram Kak District
Branch Obtained
Official License from
the National Bank of
Cambodia

The company has a
total capital of 15
million US dollars

Serves more than 10,000 customers

The company has a total capital of 20 million US dollars

Thpong District, Bati District, Peam Ro District, Samrong District, Svay Antor District Branch have received official license from the National Bank of Cambodia

Kandal Stueng District, Khsach Kandal District and Chhouk District Branch Obtain Official License from the National Bank of Cambodia

2020

2022

2019

Odongk Maechay Branch Obtained Official License from the National Bank of Cambodia

Siem Reap Branch Obtained Official License from the National Bank of Cambodia

Battambang Branch Officially License from the National Bank of Cambodia

2021

Launches « BNKC MFI » mobile application

Cheung Prey District, Krong Kampot, Krong Poipat, Krong Serey Sophorn Branch Officially Obtained a license from the National Bank of Cambodia

2023

Obtain Fiscal Compliance Category: Gold

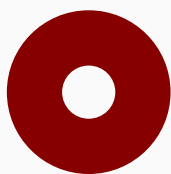
Establish a Risk Management Department

Visit of BNK Financial Group Chairman

Relocated 3 branch Operation Locations

Shareholder

BNK Capital



100%

**Share
Percentage**

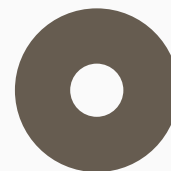
BNK Capital is a family company associated with Busan Bank and Kyung Nam Bank, both subsidiaries of BNK Financial Group. It offers a wide range of financial products and services, including vehicle loans (installments and loans), personal loans, collateral loans, installment payments, corporate finances, and more.

Established in 2010, BNK Capital has rapidly grown into a Blue-Chip venture capital company, representing a nationwide business network with operating assets of up to 3 trillion won within just four years.

BNK Capital is dedicated to meeting the diverse financial needs of its clients and has established six subsidiaries in five countries across Southeast Asia and Central Asia. Each subsidiary focuses on specialized businesses tailored to their respective countries.

Customer-centric digital innovation and service enhancement are at the core of BNK Capital's approach. It maintains a balanced portfolio and experiences steady growth in its credit portfolio, even in a rapidly changing financial environment. The company strives to provide effective and innovative financial services based on its professional human resources and financial knowledge.

Moreover, BNK Capital is committed to being a customer-centric company that promotes social welfare and provides incentives to its employees. It aims to become the leading financial institution both domestically and internationally, aligning with BNK Financial Group's medium-to-long-term management vision as a leading global/regional financial company.



380
Billion
Registered Capital
(KRW)

Board of Directors



Mr. NOH SANGHUN

Chairman of the Board



Mr. LEE SIHYUN

Member of the Board



Mr. PARK BYOUNGSOO

Member of the Board



Mr. LEE SUKYEOP

Member of the Board



Mr. IV POLY

Independent of the Board

Vision

Mission

Strategic Goal

Strategic Goal

Increase integrity
and profitability

Develop specialized
production and
expand market areas

Improve quality of
asset through
strengthening risk
management

Vision

BNKC's vision is to provide the best financial services to Cambodian with sustainable growth.

Mission

BNKC is driven by a mission to elevate the living standards of the people in Cambodia while strengthening the values of our esteemed customers, dedicated employees, valued shareholders, and society as a whole.

CEO's Message



Mr. LEE SIHYUN
CHIEF EXECUTIVE OFFICER

Greeting from BNKC (Cambodia) Microfinance Institution Plc. CEO Mr. LEE Sihyun!

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 Regard,

A handwritten signature in blue ink, consisting of stylized, fluid lines that represent the name 'Lee Sihyun'.

Mr. LEE SIHYUN
CHIEF EXECUTIVE OFFICER

OUR OPERATIONS



Branches

1

Head Office

B-Ray Building, Ground - 4th Floor, Preah Norodom Blvd., Sangkat Tonle Basak, Khan Chamkar Mon, Phnom Penh

Tel: 023 213 900

2

Angk Snuol Branch

Chong Bangkoul Village, Beak Chan Commune, Angk Snuol District, Kandal Province

Tel: 023 729 711

3

Kandal Stueng Branch

Siem Reab Village, Siem Reab Commune, Kandal Stueng District, Kandal Province

Tel: 024 900 135

4

Khsach Kandal Branch

Prek Ta Meak Village, Prek Ta Meak Commune, Khsach Kandal District, Kandal Province

Tel: 024 900 131

5

Chbar Mon Branch

Borei Kammeakkar Village, Rokar Thum Commune, Krong Chbar Mon, Kampong Speu Province

Tel: 025 210 229

6

Oudong Branch

Srah Keo Village, Veang Chas Commune, Krong Odongk Maechay, Kampong Speu Province

Tel: 025 218 282

7

Basedth Branch

Slab Leaeng Village, Svay Rumpear Commune, Basedth District, Kampong Speu Province

Tel: 025 900 110

8

Thpong Branch

Monourom Village, Monourom Commune, Thpong District, Kampong Speu Province

Tel: 025 900 119

9

Cheung Prey Branch

Pana Village, Soutib commune, Cheung Prey District, Kompong Cham Province

Tel: 042 900 110

10

Tram Kak Branch

Angk Ta Saom Village, Angk Ta Saom Commune, Tram Kak District, Takeo Province

Tel: 032 215 215

11

Bati Branch

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

13

Chhuk Branch

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

15

Siem Reap Branch

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

17

Serei Saophoan Branch

Phum Bei, Sangkat Preah Ponlea, Krong Serei Saophoan, Banteay Meanchey Province
Tel: 054 900 112

19

Peam Ro Branch

Preaek Reang Village, Banlich Prasat Commune, Peam Ro District, Prey Veng Province
Tel: 043 900 118

12

Samrong Branch

Prey Totueng Village, Samraong Commune, Samraong District, Takeo Province
Tel: 032 900 119

14

Kampot Branch

Svay Thum Village, Sangkat Krang Ampil, Krong Kampot, Kampot Province
Tel: 033 900 110

16

Battambang Branch

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

18

Poi Pet Branch

Baliley 2 Village, Sangkat Paoy Paet, Krong Paoy Paet, Banteay Meanchey Province
Tel: 054 900 110

20

Svay Antor Branch

Svay Antor Ti Muoy Village, Svay Antor Commune, Svay Antor District, Prey Veng Province
Tel: 043 900 119

Products

Secured Loan

Business Loan

\$ 500 ~



The Business Loan is designed for customers who require capital to establish a new business or expand their existing one, aiming to maximize profitability. The loan size and term can be customized according to your specific needs, with options available for up to 72 months.

Personal Loan

\$ 15,000



The Personal Loan is available to customers seeking capital for purchasing goods for personal or family use. With a loan size and term of up to USD 15,000 or its equivalent in Khmer Riel, and a repayment period of 60 months, we provide flexible options to meet your financial needs.

Car Loan

\$ 30,000



The Car Loan is designed for customers who desire to purchase a vehicle (car/truck) for personal use within their family, rather than for business purposes. With a loan size and term of up to USD 30,000 or its equivalent in Khmer Riel, and a repayment period of 72 months, we offer flexible options to fulfill your automotive financing needs.

Home Improvement Loan

\$ 15,000



The Home Improvement Loan is designed for customers who require capital to upgrade their existing home or small to medium-sized building. The loan size and term can be up to USD 15,000 or its equivalent in Khmer Riel, with a repayment period of 60 months.

Home Loan

\$ 500 ~



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.

Agriculture Loan

\$ 30,000



The Agriculture Loan is designed for customers who wish to engage in or expand agriculture activities, generating income from various agricultural pursuits such as animal farming, vegetable growing, fishing, and more. The loan size and term can be up to USD 30,000 or its equivalent in Khmer Riel, with a repayment period of 72 months.

Solar Loan

\$ 30,000



The Solar Loan is an individual/business loan designed for customers who require capital to install solar panels at their business site or home. The loan size and term can be up to USD 30,000 or its equivalent in Khmer Riel, with a repayment period of 72 months. This loan aims to support the adoption of solar energy and promote sustainable practices.

Unsecured Loan

Hire-Purchase Loan

\$ 10,000



The Hire-Purchase Loan is a collateral-free financial product designed for customers who wish to acquire daily essential electronic devices such as smartphones, laptops, refrigerators, and more. The loan size and term can be up to USD 10,000 or its equivalent in Khmer Riel, with a repayment period of 36 months. This loan offers a convenient option for customers to access necessary electronics without the need for collateral.

Solar Loan

\$ 6,000



The Solar Loan is an individual/business loan designed for customers who require capital to install solar panels at their business site or home. The loan size and term can be up to USD 6,000 or its equivalent in Khmer Riel, with a repayment period of 24 months.

BNKC's Customer

Customer Testimonial

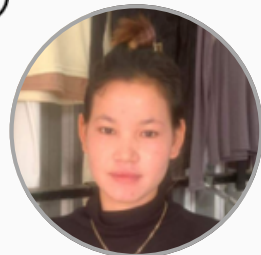
(SER CHAN / Chhouk Branch)

While looking for a loan to expand my business, a friend introduced me to a loan service at BNKC. After receiving a detailed explanation from the staff about the loan service, I decided to use the services of BNKC. After getting the loan, I expanded my business by adding more products to meet the needs of customers, bought rice mills and bought more pigs, increased income, improved home efficiency and improved livelihoods. Improve one level. In the future, if there is a need for more loans, I will choose the services of BNKC as well as recommend this service to friends and relatives.



(IM CHENDA / Thpong District Branch)

I decided to utilize the BNKC micro loan service after receiving a recommendation from a credit officer. Since then, my business has flourished. I have redesigned my barber shops, attracting more customers and expanding my business to include clothing sales. The credit officer provided me with thorough explanations, and having the mobile app has made it convenient to track loan repayment dates and amounts.



(POV CHAN / Bati Branch)

I reached out to a familiar credit officer who introduced me to BNKC's loan products. Given my long-standing trust in the staff, their friendly honest approach, along with a swift credit process and convenient monthly payments, I made the decision to utilize BNKC's credit service. My bakery business has flourished after securing this loan, attracting more customers and improving my quality of life to some extent. I appreciate the excellent service provided by BNKC, including reasonable interest rates, and I highly recommend their loan services to my relatives in need.



BNKC Mobile App

Main Function



Loan
Application &
Management

Loan Repayment
through WING or
True Money Agent

Loan
Advisor

Find a Branch
Location

Introduction

The "BNKC Mobile App", launched in June 2021, is a demonstration of the effectiveness of digital innovation focused on consumer needs. It is the first step in the transition to the age of technology that provides convenience and time savings to customers who need to use the institution's financial services.

The "BNKC Mobile App" is the first MFI mobile app launched in Cambodia that can customize customer needs, and the functionality and design are simple, convenient and easy for customers of both sexes to access. Consumption. In addition, with functions such as loan application and loan management, loan repayment through WING or True Money loan repayment schedule, loan counseling, branch location assistance, help clients get a financial experience. High security and confidence.

As of December 2023, approximately 48,686 customers have downloaded the "BNKC Mobile App," actively engaging in loan counseling and applications through the platform. BNKC remains committed to delivering digital financial innovation that caters to the evolving needs of customers, promoting an intelligent financial lifestyle for the future.

4,438

Number of applied clients:

320

Number of active clients:

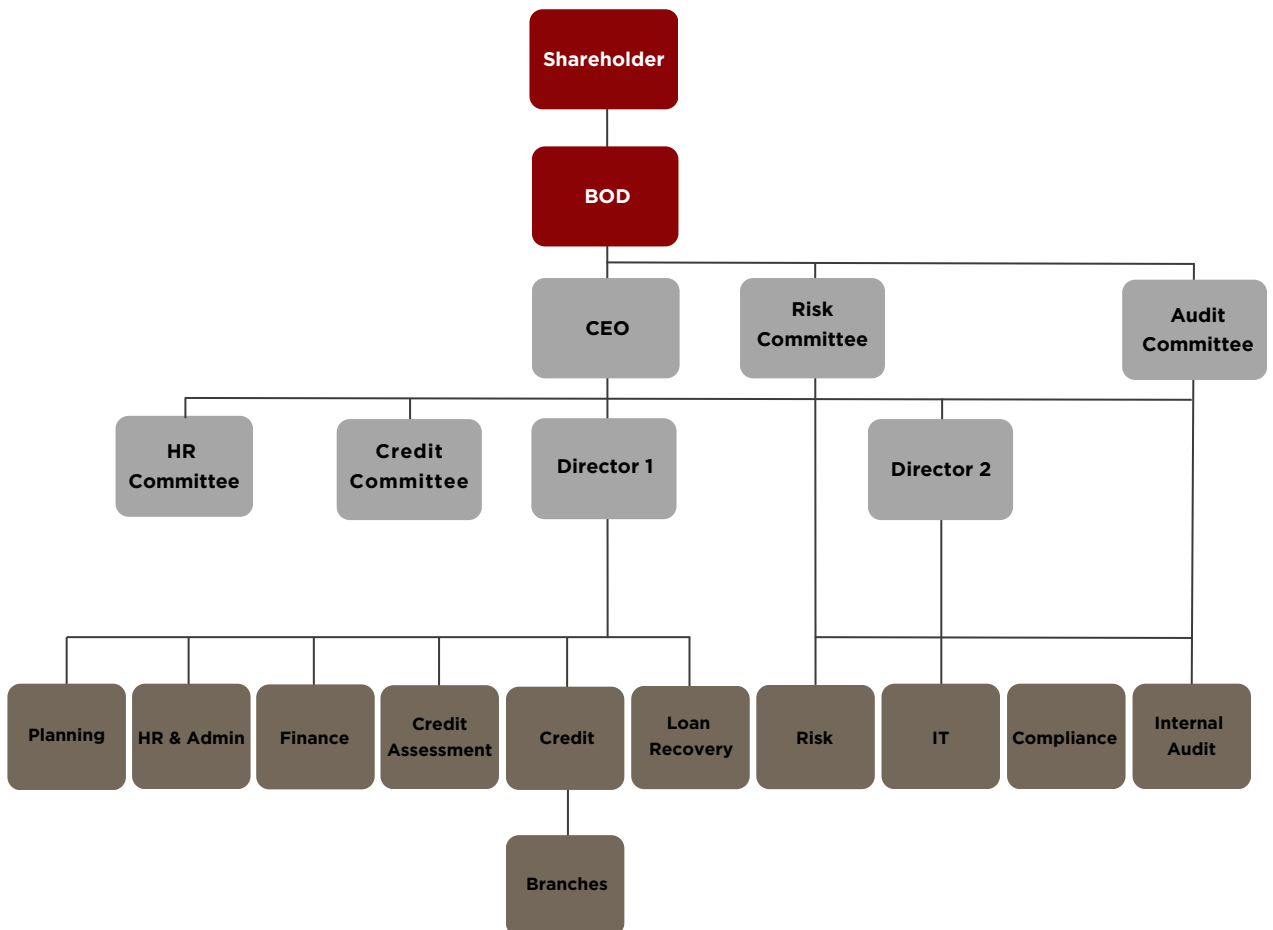
\$1.431,426

Amount:

MANAGEMENT AND GOVERNANCE



Organizational Structure



Top Management Profile



Mr. LEE SIHYUN

Chief Executive Officer

Mr. LEE Sihyun assumed the role of Chief Executive Officer in April 2023. He obtained a Bachelor's degree in Polymer Engineering from Pukyong National University, Republic of Korea, in 1998. With extensive experience in the financial sector of Korea, he spent four years as the Credit Management Supervisor at Busan Parangsae Saving Bank. In October 2011, he joined BNK Capital, where he showcased exceptional performance and was subsequently appointed to various management positions, including Manager of the Counseling Center, Manager of CS Planning Team, Manager of Loan Review Team, and Manager of Risk Management Team.



Mr. JANG HYUNSEOK

Director 1

Mr. JANG Hyunseok assumed the role of Director at BNKC starting January 2023. He graduated from Dong-a University in 2006, majoring in international trade. With a six-year tenure as a member of the finance project team at Heung-kook Savings Bank, he showcased exceptional performance. Upon joining BNK Capital in 2014, he continued to excel, earning positions as a member of the strategic planning team, project finance team leader, and finance planning team leader. With over ten years of experience in the financial sector, his expertise is attributed to his previous roles and accomplishments.



Mr. PARK HYUNGMO

Director 2

Mr. PARK Hyungmo assumed the role of Director in January 2023. He holds a bachelor's degree in Computer Science and Engineering from Pusan National University, Republic of Korea. Beginning his career at BNK Capital in 2012 as an IT officer, he has accumulated over 10 years of experience. During this time, he actively contributed to various TFT projects, including the Customer Mobile App project and Core System Development Project. Moreover, he has also participated in Corporate Projects conducted by companies like Samsung and events such as the Pusan International Financial Forum in the Republic of Korea. Mr. PARK possesses a diverse skill set, including proficiency in Java, PHP, JavaScript, C, C++, HTML, XML, and Oracle.

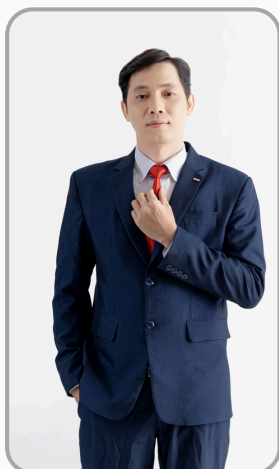
Management Profile





Ms. POUV SALEM Head of Planning Department

Ms. POUV Salem currently serves as the Head of the Planning Department at BNKC. She joined the company in January 2016, initially as an Assistant to the CEO. Prior to her role at BNKC, she participated in numerous research and analysis projects focusing on social and economic developments while studying at the University of the Republic of Korea. In 2014, she graduated from EWHA Womans University, Republic of Korea, with a Master's Degree in Public Administration. Additionally, she holds Bachelor's Degrees in Economics and Public Administration from the same university, which she completed in 2011.



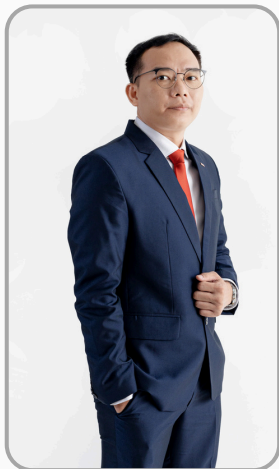
Mr. UN RATTANAK Head of HR & Admin Department

Mr. UN Rattanak is the Head of HR & Admin Department at BNKC. He joined the company in June 2016. Prior to his role at BNKC, he had experience as an Administration & Finance Manager and Assistant Project Manager at a Construction Company for three years. He also served as the School Managing Director of the ICMS Mission Society, an NGO based in Thailand, for one year.

In terms of education, Mr. UN Rattanak holds a Master's Degree in Business Management (MBA) from Build Bright University, obtained in March 2015. Additionally, he achieved two Bachelor's Degrees simultaneously in Inter-Cultural Studies and English Language and Literature from KOSIN University, Republic of Korea, in 2012.

He has also participated in various vocational training courses, covering topics such as Professional in Human Resource (PHRI), project management, performance management, labor law and compliance, leadership skills, and more. This demonstrates his commitment to continuous learning and professional development.

As the Head of HR & Admin Department at BNKC, Mr. UN Rattanak brings a diverse range of skills and experiences to his role, contributing to the growth and success of the organization.



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 18 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.



Mr. HEAB CHAMROAEN Head of Loan Recovery Department

Chamroaen joined BNKC in July 2023 as Head of Loan Recovery Department. He has over 10 years of experience in the field of microfinance. He has been a Credit Officer, Senior Credit Officer, Senior Loan Recovery Officer, Deputy Branch Manager and Branch Manager with one of microfinance institutions in Cambodia. Chamroaen graduated with a Bachelor's Degree in Accounting from Chea Sim Kamchay Mear University, Prey Veng Province in He has also attended other training courses such as leadership development, training, prevention and management of late credit, and public speaking.



Mr. CHEA VANNARITH Senior Assistant of Risk Management Department

Mr. Chea Vannarith, Senior Assistant, Risk Management Department, joined the Company in October 2023. He has nearly 10 years of experience in the financial sector. Prior to joining BNKC Microfinance Institution, he served as a Credit Officer, Credit Risk Management and Senior Operational Risk Management, and was a member of the Training Team. Mr. Chea Vannarith graduated with a Bachelor's Degree in Mathematics in 2015 from Svay Rieng University, Svay Rieng Province. He has also attended various training courses such as risk management in banking and financial institutions, operational risk management, credit assessment, small and medium business, and training courses for trainers.



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.



Ms. SIE NAILENG Head of 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. ROEUN RITHEA Head of Internal Audit Department

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.

ACTIVITIES AND INITIATIVES



Employee Capacity Development

Internal Training

BNKC (Cambodia) Plc. consistently implements an internal training program to enhance the knowledge and skills of its staff, ensuring continuous growth over time. This training program focuses on clarifying job roles, fostering a professional work ethic, promoting ethical behavior, and instilling the core values of the financial sector in employees. The internal training sessions are conducted by experienced and qualified management staff who share their knowledge and ensure proper implementation of the company's policies and guidelines.

HR & Admin Department

Topic

1. Staff Orientation
2. Preventing Sexual harassment in the work place
3. Leadership and Management
4. Disciplinary Action
5. Problem Solving (win-win)



Credit Department

Topic

1. Credit Officer's Role and Responsibilities Program
2. Team Leader's Role and Responsibilities Program
3. Branch Refreshment



Loan Recovery Department

Topic

1. Loan Recovery Strategy



Finance Department

Topic

- 1. Teller's Role and Responsibilities Program

Credit Assessment Department

Topic

- 1. Credit Assessment's Role and Responsibilities Program



Risk Management Department

Topic

- 1. Credit Risk Management and Fraud Management

Compliance Department

Topic

- 1. Anti Money Laundering Training
- 2. Compliant Training



External Training

BNKC (Cambodia) Plc. has made significant investments in its human resources, prioritizing staff training at external institutions and workshops organized by key organizations such as the National Bank of Cambodia Microfinance Association, General Department of Taxation, Cambodian Credit Bureau (CBC), and relevant ministries including the Ministry of Labor and Vocational Training and Ministry of Commerce. These external training initiatives aim to enhance staff capacity, broaden knowledge, improve performance, and ensure compliance with international trade laws, accounting standards, and regulations set forth by the National Bank of Cambodia and the General Department of Taxation. This commitment to training supports the institution's steady growth and operational effectiveness.

Planning Department

Topic

1. Korean for Business

HR & Admin Department

Topic

1. Effective Performance Management Process
2. Effective Branch Performance Management with Sustainability, Ethic and Professionalism
3. Mastering The 5 Levels of Leadership
4. Institution Capacity Development for the Executives of financial institution
5. Effective Administration Management
6. NSSF Policy & Benefits Update

Finance Department

Topic

1. Financial Statement and Analysis complied by CIFRS for SMEs



Effective Administration Management



Annual Microfinance Conference



Business Strategy Development

Compliance Department

Topic

- 1. Compliance Regulatory

Credit Department

Topic

- 1. Business Strategy Development
- 2. Effective Branch Performance Management with Sustainability, Ethic and Professionalism
- 3. Annual Microfinance Conference



Analysis complied by CIFRS for SMEs

IT Department

Topic

- 1. AWS Experiential Hands on Workshop Session
- 2. Practical ICT Audit function for Financial Institution

Internal Audit Department

Topic

- 1. Anti-Money Laundering (AML) Audit



AWS Experiential Hands on Workshop Session



Practical ICT Audit function for Financial Institution

Customer Protection Policy

BNKC (Cambodia) Plc. upholds the principles of people, planet, and profit, along with a commitment to respecting the environment, society, and the local community. In line with this, the company follows seven essential guidelines for customer protection:



- 1 OFFERING APPROPRIATE PRODUCTS AND SERVICES**
- 2 ENSURING RESPONSIBLE DEBT CONSOLIDATION PRACTICES**
- 3 CONDUCTING TRANSPARENT TRANSACTIONS**

- 4 SETTING FAIR AND AFFORDABLE PRICING**
- 5 PROMOTING CUSTOMER LOYALTY AND RESPECT**
- 6 SAFEGUARDING THE CONFIDENTIALITY OF CUSTOMER INFORMATION**
- 7 PROVIDING EFFECTIVE MECHANISMS FOR RESOLVING CUSTOMER GRIEVANCES**



BNKC is Your Best Business Partner!

Visit of BNK Financial Group Chairman

Visit of Chairman in 2023



On November 6, 2023, BNK Financial Group Chairman and BNK Capital CEO paid their first visit to BNKC (Cambodia) Microfinance Plc., the Cambodian subsidiary, at its Head Office in Phnom Penh. The visit was met with enthusiasm and a warm welcome from staff members at all levels.

During the visit, the Chairman and CEO expressed their satisfaction and high expectations for the financial landscape in Cambodia, anticipating positive developments in the near future. Furthermore, the Director General and Executive Director held a meeting with the Deputy Governor General of the National Bank of Cambodia, HE Rath Sovannarak, to discuss policies and directions for the financial technology sector in Cambodia.



As the local subsidiary of BNK Capital, we take pride in being the first microfinance institution in Cambodia to introduce a mobile financial technology application. We are committed to driving the growth of financial technology in Cambodia by sharing the knowledge and expertise of BNK Financial Group with our local and international counterparts.



The presence of the Chairman, CEO, and their team has been warmly embraced by our dedicated staff at all levels. We are determined to diligently pursue our operations, seek effective solutions to current challenges, and strengthen our financial business to achieve optimal outcomes both now and in the future.

Conversation with head office staff



Visit the Angkor Wat temple



Visit Ta Prohm Temple

Social Responsibility

HAPPY SHARING Event

BNKC (Cambodia) Microfinance Plc. organizes its annual "Happy Sharing" campaign as an expression of love, support, and concern for the well-being of society. On Friday, November 17, 2023, we had the privilege of visiting Tang Hong Primary School in Omlaing Commune, Thpong District, Kampong Speu Province. During the visit, we distributed educational materials, sporting goods, clothing, swing toys, and provided stipends for the school and students.





Although these contributions may seem small, we sincerely hope that they meet the needs of the students and serve as an inspiration for them to study diligently and pursue their dreams. At BNKC, we are committed to continuing our efforts in conducting more social sharing events within the community and providing assistance to students facing difficulties in the years to come. We strive to make a positive impact and contribute to the betterment of society.



Certificate of Fiscal Compliance

Achieve Fiscal Compliance Category: Gold

We are thrilled to announce that BNKC (Cambodia) Microfinance Institution Plc. has been awarded the Gold Certificate for tax compliance by the General Department of Taxation.

This prestigious recognition is a testament to the hard work and dedication of our staff in meeting the expectations of our stakeholders. It affirms that we have consistently met filing deadlines for quarterly and annual taxes, ensuring the correct amounts were paid on time. It also demonstrates our good standing with the General Department of Taxation and adherence to all associated requirements.

We extend our gratitude to our staff, customers, and stakeholders for their unwavering commitment and support as we continue to advance our business. This tax compliance certificate positions us strongly to drive further growth and profitability in the future. We take pride in this acknowledgment of our commitment to transparency and compliance, and it instills confidence in our business.

Congratulations to everyone involved in this achievement!



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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 2023, 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 2023, and of 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 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

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

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.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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.



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

Phnom Penh, Kingdom of Cambodia
26 April 2024

STATEMENT OF FINANCIAL POSITION

as at 31 December 2023

	Note	2023		2022	
		US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
ASSETS					
Cash and balances with other financial institutions - net	4	8,351,006	34,113,860	10,283,238	42,336,091
Statutory deposit	5	1,000,000	4,085,000	1,000,000	4,117,000
Loans and advances to customers	6	70,920,444	289,710,014	78,951,777	325,044,466
Other assets	7	247,595	1,011,426	201,488	829,527
Property and equipment	8	1,452,676	5,934,181	1,334,594	5,494,523
Intangible assets	9	1,369,006	5,592,390	1,601,124	6,591,828
Deferred tax assets	10.3	1,074,222	4,388,197	386,004	1,589,178
TOTAL ASSETS		84,414,949	344,835,068	93,758,225	386,002,613
LIABILITIES AND SHAREHOLDER'S EQUITY					
LIABILITIES					
Income tax payable	10.2	-	-	776,355	3,196,254
Borrowings	11	62,002,732	253,281,160	66,889,749	275,385,097
Other liabilities	12	447,986	1,830,024	470,182	1,935,739
Total liabilities		62,450,718	255,111,184	68,136,286	280,517,090
SHAREHOLDER'S EQUITY					
Share capital	13	20,000,000	80,000,000	20,000,000	80,000,000
Retained earnings		1,964,231	8,052,170	5,405,812	22,208,619
Regulatory reserve	14	-	-	216,127	876,731
Cumulative exchange differences on translation		-	1,671,714	-	2,400,173
Total shareholder's equity		21,964,231	89,723,884	25,621,939	105,485,523
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		84,414,949	344,835,068	93,758,225	386,002,613

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2023

	Note	2023		2022	
		US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
Operating income					
Interest income	15	13,370,109	54,951,148	12,813,693	52,369,563
Interest expenses	16	(4,417,527)	(18,156,036)	(2,702,044)	(11,043,254)
Net interest income		8,952,582	36,795,112	10,111,649	41,326,309
Fee and commission expense	17	(216,018)	(887,834)	(348,071)	(1,422,566)
Other operating income	18	1,078,285	4,431,751	692,402	2,829,847
Total operating income		9,814,849	40,339,029	10,455,980	42,733,590
General and administrative expenses	19	(6,347,183)	(26,086,922)	(5,588,676)	(22,840,919)
(Provision for) Reversal of impairment losses on balances with other financial institutions		(44,219)	(181,740)	10,962	44,802
Provision for losses on loans and advances	6	(7,651,200)	(31,446,432)	(1,131,494)	(4,624,416)
Income before income tax		(4,227,753)	(17,376,065)	3,746,772	15,313,057
Income tax benefit (expense)	10	570,045	2,342,885	(596,327)	(2,437,188)
Net (loss) profit for the year		(3,657,708)	(15,033,180)	3,150,445	12,875,869
<i>Other comprehensive income:</i>					
Exchange difference on translation		-	(728,459)	-	1,430,786
Total comprehensive (loss) income		(3,657,708)	(15,761,639)	3,150,445	14,306,655

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2023

	Share capital		Retained earnings		Regulatory reserve (Note 14)		Cumulative exchange difference on translation		Total
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)	
As at 1 January 2023	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
Net loss for the year	-	-	(3,657,708)	(15,033,180)	-	-	-	(3,657,708)	(15,033,180)
Exchange difference on translation	-	-	-	-	-	-	(728,459)	-	(728,459)
Total comprehensive loss	-	-	(3,657,708)	(15,033,180)	-	-	(728,459)	(3,657,708)	(15,761,639)
Transfer from regulatory reserve	-	-	216,127	876,731	(216,127)	(876,731)	-	-	-
As at 31 December 2023	20,000,000	80,000,000	1,964,231	8,052,170	-	-	1,671,714	21,964,231	89,723,884
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
Exchange difference on translation	-	-	-	-	-	-	1,430,786	-	1,430,786
Total comprehensive income	-	-	3,150,445	12,875,869	-	-	1,430,786	3,150,445	14,306,655
Transfer to regulatory reserve	-	-	(25,509)	(104,255)	25,509	104,255	-	-	-
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

STATEMENT OF CASH FLOWS

for the year ended 31 December 2023

	Note	2023		2022	
		US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
OPERATING ACTIVITIES					
(Loss) profit before income tax		(4,227,753)	(17,376,065)	3,746,772	15,313,057
Adjustments for:					
Depreciation and amortization	8,9	640,265	2,631,489	414,162	1,692,680
Provision for impairment losses		7,695,419	31,628,172	1,120,532	4,579,614
Loss on written off of property and equipment		960	3,946	1,440	5,885
Loss on disposal of intangible asset		3,764	15,470	-	-
Movements in operating assets and liabilities:					
Statutory deposit		-	-	(250,000)	(1,021,750)
Loans and advances to customers		380,133	1,562,347	(10,856,066)	(44,368,742)
Other assets		(69,423)	(285,329)	59,100	241,542
Other liabilities		58,573	240,735	204,587	836,147
Cash generated from (used in) operations		4,481,938	18,420,765	(5,559,473)	(22,721,567)
<i>Income tax paid</i>	10.2	(913,768)	(3,755,586)	(847,217)	(3,462,576)
Net cash generated from (used in) operating activities		3,568,170	14,665,179	(6,406,690)	(26,184,143)
INVESTING ACTIVITIES					
Acquisition of property and equipment	8	(584,216)	(2,401,128)	(870,916)	(3,559,434)
Acquisition of intangible assets	9	(6,737)	(27,689)	(335,306)	(1,370,396)
Proceed from disposal of intangible asset/property and equipment	9	60,000	246,600	11,499	46,998
Net cash used in investing activities		(530,953)	(2,182,217)	(1,194,723)	(4,882,832)
FINANCING ACTIVITIES					
Placement in term deposits		(1,640,147)	(6,741,004)	-	-
Proceeds from borrowings	11	20,000,000	82,200,000	21,000,000	85,827,000
Repayments of borrowings	11	(24,948,330)	(102,537,636)	(11,114,569)	(45,425,244)
Cash proceeds from capital injection	13	-	-	5,000,000	20,435,000
Net cash (used in) provided by financing activities		(6,588,477)	(27,078,640)	14,885,431	60,836,756
Net (decrease) increase in cash and cash equivalents		(3,551,260)	(14,595,678)	7,284,018	29,769,781
Cash and cash equivalents at beginning of year		10,300,365	42,406,602	3,016,347	12,288,597
Exchange difference on translation		-	(240,829)	-	348,224
Cash and cash equivalents at end of year	4	6,749,105	27,570,095	10,300,365	42,406,602



**Contact us
for further inquiries**

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