



ក្រឹះស្ថានមីក្រូហិរញ្ញវត្ថុ ខេ ប៊ី អេស ស៊ី (ខេមបូឌា) ភីអិលស៊ី
KBSC (Cambodia) Microfinance Institution Plc.

ANNUAL REPORT 2015



Ground & First Floor of B-Ray Tower, Preah Norodom Blvd, Sangkat Tonle Bassac,
Khan Chamkamorn, Phnom Penh, Cambodia.

Telephone: (855) 23 213 900



Your Success is Our Dream





CONCTENT

Background	01
Vision	01
Mission	01
Strategic Goal	01
Our Product	02
Micro Loan	02
Small Loan	03
Medium Loan	03
CEO's Message	04
key Achievement	05
External Audit Report	09
Organization Structure 2015	13
Biography of Management Team	14

BACKGROUND

KBSC (Cambodia) Microfinance Institution Plc. Is a public limited company which has 100% shareholders from BNK Capital based in South Korea. KBSC received License from National Bank of Cambodia on 07th May, 2015 and has a specific objective to provide job opportunities and the best financial service to Cambodian people as well as contribute to develop Cambodia economic.

VISION

KBSC's vision is to provide the best financial service to Cambodian People with sustainable growth.

MISSION

KBSC's mission is to perfect a strong financial group that combines size and profitability.

STRATEGIC GOAL

- Build unique status for every business line.
- Maximize group synergy.
- Expand market dominance.
- Lead the way to make KBSC a financial hub.
- Strengthen Control Tower role.
- Establish the group's corporate culture.
- Strengthen social Responsibility Management.



OUR PRODUCT

1-Micro Loan



The **'Farmer Loan'** is a micro-loan designed for farmers who are looking to expand their existing micro business but lack of capital to improve it. Farmer can access loan up to USD 1,000 and repay back with low interest rate and the period up to 24 months.

The **'Family/consumption Loan'** is a micro-loan designed for clients who are looking to purchase personal consumption materials or for family expenses, including phone and electronic equipment or for buying other materials. The client can access loan up to USD 1,000 with the period up to 12 months.



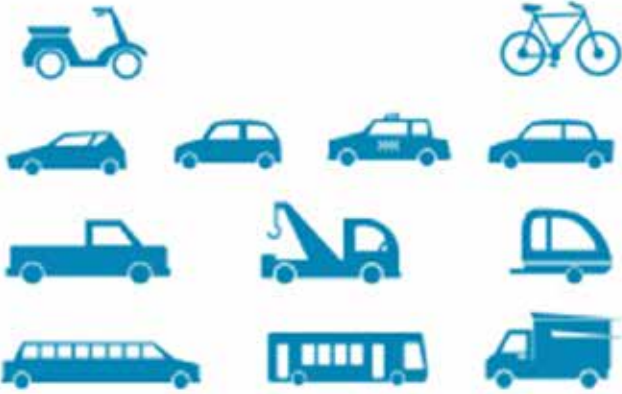
The **'Korea Labor Loan'** (K. Labor Loan) is a micro-loan designed for Cambodian laborers who pass the Korean level test to work in the Republic of Korea but do not have enough money to make passport or process the documents. The client can access loan up to 2,000 with the period up to 24 months.



The **'Motorcycle Loan'** is a micro-loan designed for clients who wish to buy motor or want to pursue motor taxi. The client can access loan up to USD 1,500 with the period up to 36 months.



2-Small Loan



The 'Transportation loan' is a small loan designed for clients who wish to buy motors or want to pursue motor trailer (tuk tuk) or car taxi. The client can access loan up to USD 5,000 with the period up to 5 years.

The 'Seasonal Loan' is a small loan designed for farmers who need additional capital to invest in vegetable/crop production, animal raising, agricultural machineries and equipment, or other key business inputs. The client can access loan up to USD 5,000 with the period up to 36 months.



The 'Household business loan' is a small loan designed for clients who wish to operate small business or handicraft to improve their quality of living. The client can access loan up to 10,000 with the period up to 4 years.



3- Medium Loan

The 'Miscellaneous loan' is a medium loan which established for clients who need the money for house renovation or any other activities. The loan can be from USD 10,001 up to USD 50,000 with the period up to 5 years.



CEO's MESSAGE



I am **Park Byoung Soo**, President & CEO of KBSC (Cambodia) Microfinance Institution Plc.

Firstly, I would like to thank all clients for your supporting, encouraging, and loving the KBSC. Our company has started operating smoothly without any problems. Even though our role is relatively small, but we hope that we could be a useful help to our clients and the economic growth in Cambodia.

In 2015, the KBSC was growing a bit fast with sustainable and expanding to any area in Cambodia. As the result of our work, there are 113 clients have been received the financial service from KBSC with loan disbursement amount USD 2,049,463.34. They are living in Phnom Penh City (12 districts, 35 communes 61 Villages). The quality loan is very good as well as PAR >30 Days is 0% (Zero percentage).

Moreover, we have trained our employees to be the professional financial staffs through providing the internal and external training course as job required. There are 11 internal training courses, 5 external training courses and 7 workshops that our employees have been delivered. Beside these, we provided a great opportunity for our employees to learn more about the key success of BNK's operation and Korean culture, so they can upgrade capacity to improve their work and can contribute to develop the KBSC (Cambodia) Microfinance Institution Plc. in future.

Additionally, we have promoted on corporate social responsibility as well as donated with amount USD 1,000 to Kuntha Bopha Hospital for contributing to help Cambodian Children.

As the result above, I believe that the key success of our company is depend on the quality of human including clients and employees which means that clients happiness and employees have professionalism work and made a good culture.

We will manage in according to the philosophy mainly emphasize on the long term upbringing human resources basically contributing to the company growth. This is not just a short term goal or a temporary implementation. Eventually, we will develop ourselves to be a representative of Microfinance sector in Cambodia.

We will enhance our work to make the profit which benefit to both employees and clients. We will continuous working smart to reach our goals in the near future. **"The success of client is our dream"**.

We wish you all have a good luck and happiness!

Park Byoung Soo

KEY ACHIEVEMENT

➤ Staff Retreat:

KBSC conducted the first staff retreat on 28th- 30th May 2015 in Kampong Som Province, participated by 19 staffs with the purpose of:

- ◆ Build up good relationship and team work among KBSC's staff;
- ◆ Better understand about the BS Capital Co., Ltd; KBSC (Cambodia) Microfinance Institution Plc.
- ◆ Well understand about 10 characteristics of good and bad people and improve Self-motivation.
- ◆ Set up the future plan for KBSC



➤ **Exposure Visit:**

The 7 management staffs of KBSC have visited the BNK Capital at Busan & Seoul in Korea from 21-27 October 2015, to learn more about the key success of BNK's operation and Korean culture, so they can upgrade the capacity to improve their work and can contribute to develop the KBSC (Cambodia) Microfinance Institution Plc.



➤ **Staff Capacity Building:**

As of 31-December-2015, KBSC assigned its staff to attend any training courses as job required. There are 11 training courses that delivered by internal trainers with a total of 100 participants, 6 training courses delivered by external trainers with a total of 84 participants and 7 workshops delivered by CMA, ABC, NBC, CBC, MoLMUPC with a total of 12 participants.



The detail information of internal training, External training and Workshop, see at below table:

Name of Participant	# Participant	Date	Duration	Trainer/Organizer
I-INTERNAL TRAINING	100			
1- Chart of Account in MBWIN System and KBSC's Product	7	27-Jun-15	Half Day	Mr. Leav Dara
2- Concept of Customer Care and Balance Sheet of Client	7	27-Jun-15	Half Day	Ms. Hoy Sophea, Mr. Soung Savuth
3- Financial Education	13	18-Jul-15	One Hour	Ms. Hoy Sophea
4- Balance Sheet of Client	6	18-Jul-15	1.5 Hours	Mr. Soung Savuth
5- Accounting Transection	5	18-Jul-15	1.5 Hours	Mr. Leav Dara
6- Time Management	17	15-Aug-15	Haft Day	Ms. Hoy Sophea
7- Working Capital	6	05-Sep-15	Haft Day	Mr. Soung Savuth
8- Accounting Transection (Continuous)	7	05-Sep-15	Haft Day	Mr. Leav Dara
9- Most Common Fraud Cases in Banks and MFIs	14	19-Sep-15	Haft Day	Mr. Leav Dara
10- Internal Audit Concept	8	07-Nov-15	Haft Day	Ms. Hoy Sophea
11- Present the Internal Rule	10	07-Nov-15	Haft Day	Mr. Pa Ponnakkiry
II-EXTERNAL TRAINING	84			
1- MBWIN System	16	7-8 & 18-23 May-15	8 Days	SIP
2- Collateral Evaluation	17	21-Jul-15	Haft Day	Mr. Nhak Kim Sroy
3- MBWIN System (Testing training)	1	15-Aug-15	Haft Day	SIP
4- Effective Governance in Microfinance Institution	1	30-Nov & 1-Dec-15	2 Days	CMA
5- Social Performance Indicator	2	7-9 Dec-15	3 Days	CMA
6- IFRS Training	10	28-29-Dec- 15	2 Days	Mr.Cheam Kimhour
III-WORKSHOP	12			
1- CBC Launch New Products	2	24-Jun-15	Haft Day	CBC
2- CBC K-Score and New Release 10.1	2	29-Jun-15	Haft Day	CBC
3- AML/CFT Regime in Cambodia	1	05-Sep-15	1 Day	NBC
4- National Policy on Housing and Financial Choice for Housing	1	28-Sep-15	Haft Day	MoLMUPC
5- Leverage Financial Market Development to Promote the Use of Riel	1	29-Sep-15	Haft Day	NBC
6- The Senior Banker's Forum 2015	2	05-Oct-15	2 Hours	ABC
7- Annual Microfinance Conference 2015 on "Healthy Growth for Sustainable Development"	3	23-Dec-15	1 Day	CMA

➤ **Credit Operation Area**

As of 31-December 2015, KBSC has operated for six months in Phnom Penh City (12 districts, 35 communes 61 Villages) with loan disbursement amount USD 2,049,463.34 and 113 clients.

➤ **Corporate Social Responsibility**

KBSC had to promote/aware on corporate social responsibility as well as KBSC's Product and Service, Clients Protection Principle implementation and financial education to community members, authorities and key stakeholders which contributed to Cambodia society development. Moreover in this year KBSC had donated its money to Kuntha Bopha Hospital for contributing to help Cambodian Children with amount USD 1,000.



**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
KBSC (CAMBODIA) MICROFINANCE INSTITUTION PLC.
(Incorporated in Cambodia)
(Registration No: Co. 0156 E/2014)**

Report on the Financial Statements

We have audited the accompanying financial statements of KBSC (Cambodia) Microfinance Institution Plc (“the Company”), which comprise balance sheet as at 31 December 2015, and income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 7 to 32.

The financial statements of the Company for the financial year ended 31 December 2015 were audited by another firm of Chartered Accountants, whose report dated 27 May 2015 expressed an unqualified opinion on those statements.

Directors' Responsibility 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 Accounting Standards and the guidelines issued by the National Bank of Cambodia, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility


Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Cambodian International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2015, and of its financial performance and cash flows for the year then ended in accordance with Cambodian Accounting Standards and the guidelines issued by the National Bank of Cambodia relating to the preparation and presentation of financial statements.


BDO (Cambodia) Limited
Phnom Penh, Cambodia
Date: 11 March 2016

KBSC (CAMBODIA) MICROFINANCE INSTITUTION PLC.
(Incorporated in Cambodia)

BALANCE SHEET
AS AT 31 DECEMBER 2015

	Note	2015		2014
		US\$	KHR'000	US\$
ASSETS				
Cash on hand	7	1,000	4,050	-
Balances with National Bank of Cambodia	8	300,184	1,215,745	-
Balances with other banks	9	2,062,411	8,352,765	4,742,339
Loans to customers	10	2,028,968	8,217,320	-
Other receivables	11	41,080	166,374	18,369
Property, plant and equipment	12	188,347	762,805	157,900
TOTAL ASSETS		<u>4,621,990</u>	<u>18,719,059</u>	<u>4,918,608</u>
LIABILITY AND EQUITY				
LIABILITY				
Other payables	13	<u>1,013,385</u>	<u>4,104,209</u>	<u>1,000,792</u>
TOTAL LIABILITY		<u>1,013,385</u>	<u>4,104,209</u>	<u>1,000,792</u>
EQUITY				
Share capital	14	4,000,000	16,200,000	4,000,000
Accumulated losses		<u>(391,395)</u>	<u>(1,585,150)</u>	<u>(82,184)</u>
TOTAL EQUITY		<u>3,608,605</u>	<u>14,614,850</u>	<u>3,917,816</u>
TOTAL LIABILITY AND EQUITY		<u>4,621,990</u>	<u>18,719,059</u>	<u>4,918,608</u>

KBSC (CAMBODIA) MICROFINANCE INSTITUTION PLC.
(Incorporated in Cambodia)

INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

	Note	1.1.2015 to 31.12.2015		23.1.2014 to 31.12.2014
		US\$	KHR'000	US\$
Interest income	15	88,382	357,947	-
Other operating income	16	21,965	88,958	50
Total operating income		110,347	446,905	50
Operating expenses	17	(418,450)	(1,694,722)	(82,234)
Loss before tax		(308,103)	(1,247,817)	(82,184)
Tax expense	18	(1,108)	(4,488)	-
Loss for the financial year/period		(309,211)	(1,252,305)	(82,184)

KBSC (CAMBODIA) MICROFINANCE INSTITUTION PLC.
(Incorporated in Cambodia)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	Share capital US\$	Accumulated losses US\$	Total US\$
Balance as at 23 January 2014 (date of incorporation)	4,000,000	-	4,000,000
Loss for the financial period	-	(82,184)	(82,184)
Balance as at 31 December 2014/ 1 January 2015	4,000,000	(82,184)	3,917,816
Loss for the financial year	-	(309,211)	(309,211)
Balance as at 31 December 2015	4,000,000	(391,395)	3,608,605
<i>(KHR'000 equivalent)</i>	<i>16,200,000</i>	<i>(1,585,150)</i>	<i>14,614,850</i>

KBSC (CAMBODIA) MICROFINANCE INSTITUTION PLC.
(Incorporated in Cambodia)

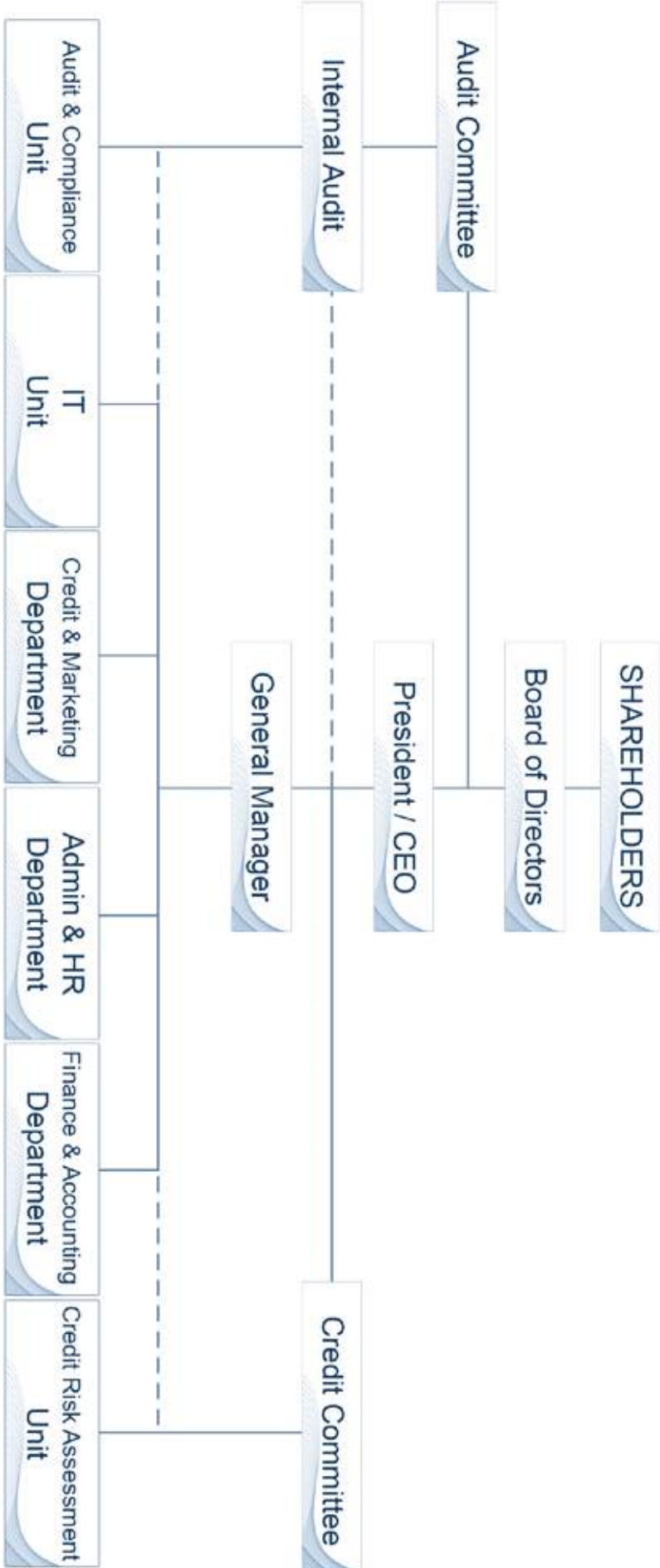
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	1.1.2015 to 31.12.2015		23.1.2014 to 31.12.2014
		US\$	KHR'000	US\$
Cash flows from operating activities				
Loss before tax		(308,103)	(1,247,817)	(82,184)
Adjustments for:				
Allowance for doubtful loans	10	20,495	83,005	-
Depreciation of property, plant and equipment	12	41,273	167,156	-
Operating loss before working capital changes		(246,335)	(997,656)	(82,184)
Changes in working capital				
Loans to customers		(2,049,463)	(8,300,325)	-
Other receivables		(22,711)	(91,979)	(18,369)
Other payables		12,593	51,000	1,000,792
Cash used in operations		(2,305,916)	(9,338,960)	(900,239)
Income tax paid		(1,108)	(4,488)	-
Placement of statutory deposit		(200,000)	(810,000)	-
Net cash (used in)/from operating activities		(2,507,024)	(10,153,447)	900,239
Net (decrease)/increase in cash and cash equivalents		(2,578,744)	(10,433,913)	742,339
Cash and cash equivalents at beginning of year/date of incorporation		4,742,339	19,206,473	4,000,000
Cash and cash equivalents at end of year/period		2,163,595	8,762,560	4,742,339

Cash and cash equivalents comprise the following:

	Note	2015		2014
		US\$	KHR'000	US\$
Cash on hand	7	1,000	4,050	-
Balances with National Bank of Cambodia (excluding statutory deposit)	8	100,184	405,745	-
Balances with other banks	9	2,062,411	8,352,765	4,742,339
		2,163,595	8,762,560	4,742,339

ORGANIZATION STRUCTURE 2015



BIOGRAPHY OF MANAGEMENT TEAM



Mr. Park Byoung Soo, President & CEO of KBSC (Cambodia) Microfinance Institution Plc.

Before coming to Cambodia establishing KBSC in March 2014, he was a Retail Finance Department Manager & Credit Support Department Manager at BNK Capital Co., Ltd for 4 years, a Deputy Head of the Risk & Credit Assessment Department at Woori Capital Co., Ltd about 6 years, Branch Sales Manager of Loan, Auto Lease & the Branch Risk Management Team Leader in Aju Capital Co., Ltd for 9 years, and an Auto Sales Management & Auto Loan Management in Daewoo Motor Sales Co., Ltd for 11 years.

He had experience in managing the subordinate staffs, leading operation implementation, risk prevention, maintain loan qualification, providing technical support to any branches, ensure all policies, procedures and guidelines are properly compliance and maintain constructive working relationships in banking sector.

He obtained a bachelor's degree in field of General Management from Korea National Open University (KNOU) in 2013 and completed the Cause of Certified Credit Analysis (CCA) from Korea Banking Institute (KBI) in 2010.



Mr. Park Young Kyun, Internal Audit Director of KBSC (Cambodia) Microfinance Institution Plc.

Before joining KBSC in December 2015, he was a Gangnam Loan Center Manager of BNK Capital Co.,Ltd about 4 years and a Gangnam Loan Center Manager of KB Capital Co., Ltd for 1 year and a Loan Planning Team Leader of Hyudai Capital Co.,Ltd for 7 years.

He had experience in managing the subordinate staffs, loan planner around 60 persons, loan and deposit operation and performance.

He studied a bachelor's degree in field of Economic (completed 1st year) at Korea National Open University. Moreover he received the certificate award of excellent staff from BNK Capital Co., Ltd in 2013 and certificate award of long working staff from Hyundai Capital Co.,Ltd in 2010.



Ms. Hoy Sophea, General Manager of KBSC (Cambodia) Microfinance Institution Plc.

Before joining KBSC in April 2015, she was a General Secretary of Cambodia Microfinance Association (CMA) for 9 years and an Information Documentation Officer of Action on Disability and Development (ADD) for 4 Years and an Agriculture Officer for Home Gardening and Nutrition of Chamroen Chiet Khmer (CCK)/Helen Keller International (HKI) organization for 3 years.

She had experience in managing the CMA's operation and promoting the financial and non-financial services in public as well as loan, saving, micro-insurance, Social Performance Management (SPM), Client Protection Principle (CPP) and Financial Education in microfinance sector. Additionally, she also managed and implemented the several projects of ADD and CCK/HKI organization including disability right, agriculture for home gardening and nutrition.

She obtained a bachelor's degree and a master's degree in field of General Management from National University of Management (NUM) in 2005 and 2008. She also attended the vocational training skills in abroad with several topics such as (1) Microfinance Management Concentration in Turin-Italy, (2) Microfinance: Building Inclusive Financial Sectors and Support for Legal and Regulatory Frameworks in Sydney-Australia, (3) TOT on Social Performance Management in Hanoi-Vietnam, and (4) Industrial Relationship and Human Resource Management in Tokyo-Japan



Mr. PA Ponnak Kiry, HR/Admin Manager of KBSC (Cambodia) Microfinance Institution Plc.

Before joining KBSC in October 2015, he was a Human Resource Supervisor of SOMA Group Co., Ltd for 3-year and a Human Resource Manager in MAXIMA Mikroheranhvatho Plc. for 4-years. He also has experience in Human Resource Consultant for Microfinance Institutions and teaching at university for 1 year.

He had experience in man power planning, recruitment, job description development, set up performance Management system and welfare programs, identify training needs assessment, develop and implement HR Policy and Procedure; office management, document management, and budgeting of SOMA Group Co., Ltd and MAXIMA Mikroheranhvatho Plc.

He obtained Master's degree in field of Finance and Accounting from Build Bright University in 2006, and Bachelor's degree in field of Business Management from National Institute of Management in 2003. Beside these, he also obtained the vocational training skill on Risk Management, Strategic Planning Management, Land Law and Contract Law, and Effective Performance Management...etc.



Mr. Leav Dara, Finance Manager of KBSC (Cambodia) Microfinance Institution Plc.

Before joining KBSC in May 2015, he was as Finance Director for over 1 year in Teuk Saat 1001 Organization and over 14 year in Seilanithih as various positions (Branch Accountant, product development officer, marketing manager, Head of Finance Department, and Head of Internal Audit Department).

He had experience in accounting, research and product development, marketing, finance and internal auditor in Micro finance sector.

He obtained Master's degree in field of Finance and Accounting from Build Bright University in 2007 and a bachelor's degree field of International Business Management at Royal University of Phnom Penh in 2002. He also attended the vocation training skill in local and international training courses such as financial analysis, risk Management, Customer Services, and Social Performance.



Mr. Soung Savuth, Credit Manager of KBSC (Cambodia) Microfinance Institution Plc.

Before joining KBSC in April 2015, he was a credit officer of Acleda Bank Plc. for 6 years, and was a Mathematic, Physic, and English teacher for 8 years of private and public school.

He had experience in loan assessment, collateral evaluation, building good relationship with local authorities, community members, and both existing and new clients in the coverage areas in order to maintain the loan quality.

He obtained a master's degree in field of Educational Administration and Leadership and from Royal University of Phnom Penh in 2011, and a bachelor's degree in field of English Communication from Western University in 2007. Additionally, he obtained two year course on pedagogy at Regional Pedagogy Center Prey Veng Province in 2000.



Mr. Oum Sobtra, Senior Credit Risk Assessment Officer of KBSC (Cambodia) Microfinance Institution Plc.,

Before joining KBSC in August 2015, I was worked in Aceda Bank for over 11 years as an internal audit for over 1 year that responsible for credit risks, and any other risks will be appeared and interrupted the operation in the branch and a credit Officer for 10 years that responsible for analysis Customer Information including business plan and collateral and prepared loan documents.

He obtained a bachelor's degree in field of General Management in 2003 from National University Management (NUM). He also had studied the vocational training skills on Internal Audit and credit officer for Medium-Loan.



Mr. An Sokkhak, IT-System Officer of KBSC (Cambodia) Microfinance Institution Plc.

Before joining KBSC in April 2015, he was a Database Administrator of Green Central Micro Finance Ltd., for 2 years, a Database Administrator and Software Developer of GEOLINK Group Co., Ltd. for 2 Years, an IT Coordinator of IEL International School for 1 year, an IT Teacher (VB.net and Management Information System) of ITech International for a half year.

He obtained a bachelor's degree in field of Computer Science and Engineering from Royal University of Phnom Penh in 2009. He also attended the vocation training skill on C-Programming, C++, Java Programming (OOP, Servlets, JSP), C#, PHP, MySQL, ASP.net, Java/VB Script, CSS, VB.net, SQL Server and Database Management System.



Mr. Ngoun Veasna, IT-Network Officer of KBSC (Cambodia) Microfinance Institution Plc.

Before joining KBSC in November 2015, he has experience over 1 year with NGO Clear Cambodia as a position of IT staff that responsible for system network administration, technical advising and IT coordination, and over 6 years with Seilanithih Microfinance Institution as a position of Junior IT officer, IT Officer and IT specialist focus on system network infrastructure and data security.

He obtained a bachelor's degree in field of Computer Science and Information Technology from Build Bright in 2006 and attended the various trainings and numerous conferences as well as hardware and software technology, and microfinance and banking solutions in Cambodia.





គ្រឹះស្ថានមីក្រូហិរញ្ញវត្ថុ ខេ ប៊ី អេស ស៊ី (ខេមបូឌា) ភីអិលស៊ី
 KBSC (Cambodia) Microfinance Institution Plc.

ទូរស័ព្ទ Tel: (855) 23 213 900

ទីស្នាក់ការ ភ្នំពេញ
 Head Office

