



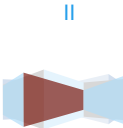
ANNUAL
REPORT
2019

BNKC (CAMBODIA) MICROFINANCE INSTITUTION PLC.

Ground Floor & 1st Floor of B-Ray Tower, Preah Norodom Blvd,
Sangkat Tonle Bassac , Khan Chamcarmon, Phnom Penh,
Cambodia

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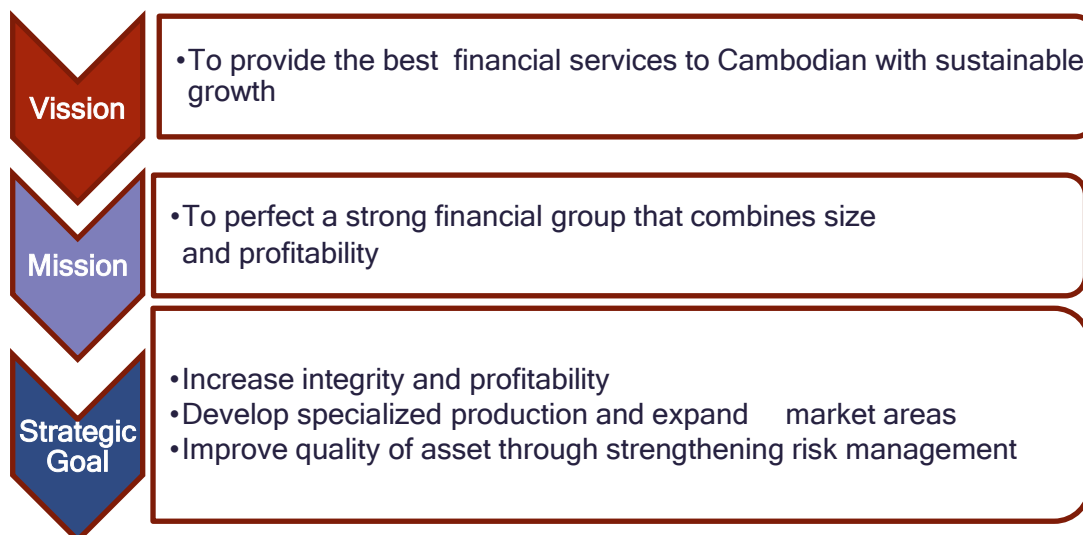


CORPORATE INFORMATION

BNKC (Cambodia) Microfinance Institution Plc. former KBSC (Cambodia) Microfinance Institution Plc. is a Public Limited Company which received an official license from National Bank of Cambodia on 07th May, 2015 and had paid up capital USD 15 Million from BNK Financial Group 100% in Busan South Korea. The aim of BNKC is to provide job opportunities and the best financial service to Cambodian people as well as contribute to develop Cambodia economic. Additionally, BNKC point to support young potential people to joined in our future career for better growth.



VISSION MISSION AND STRATEGIC GOAL



CEO' MESSAGE

*"To the world with
community, to the better
future with customers"*



Dear, valued customers! On behalf BNKC (Cambodia) Microfinance Institution Plc., I would like to take this opportunity gratitude to 3172 customers who love, support and believe in our loan services for more than 4 years.

I am LEE DAE KWANG, Chief Executive Officer of BNKC (Cambodia) Microfinance Institution Plc., I put all of my best effort physically and mentally to fulfill the customers' needs based on my professional experiences in credit operation for several years.

Over the past years of operation, our institution try the best to correct the tragedy that happen to the customers; we promise to speed-up our service for better, provide the stability of economy and to help the customer in difficult situation.

In my dream, I hope our institution will be developed, grow in every field, especially in human resources and credit services. In order to achieve this dream; we set the clear strategy, cleverness of leadership skill, adjust the organizational structure and improve our internal training and external training to our employees.

Meanwhile in the development of human resources and credit services, our institution try our best to follow the principle and procedure which align to Prakas of National Bank of Cambodia; and ministries or other relevant institutions in order to guarantee that there is transparency, correctness, neutralism and sustainability for the upcoming future.

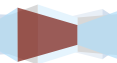
Taking everything into account, I sincerely hope that our customers still believe in our institution as well as to support in the future for successful. I wish our valued customers and our employees for happiness, healthy, successful in everything you wish for.

Thank you!

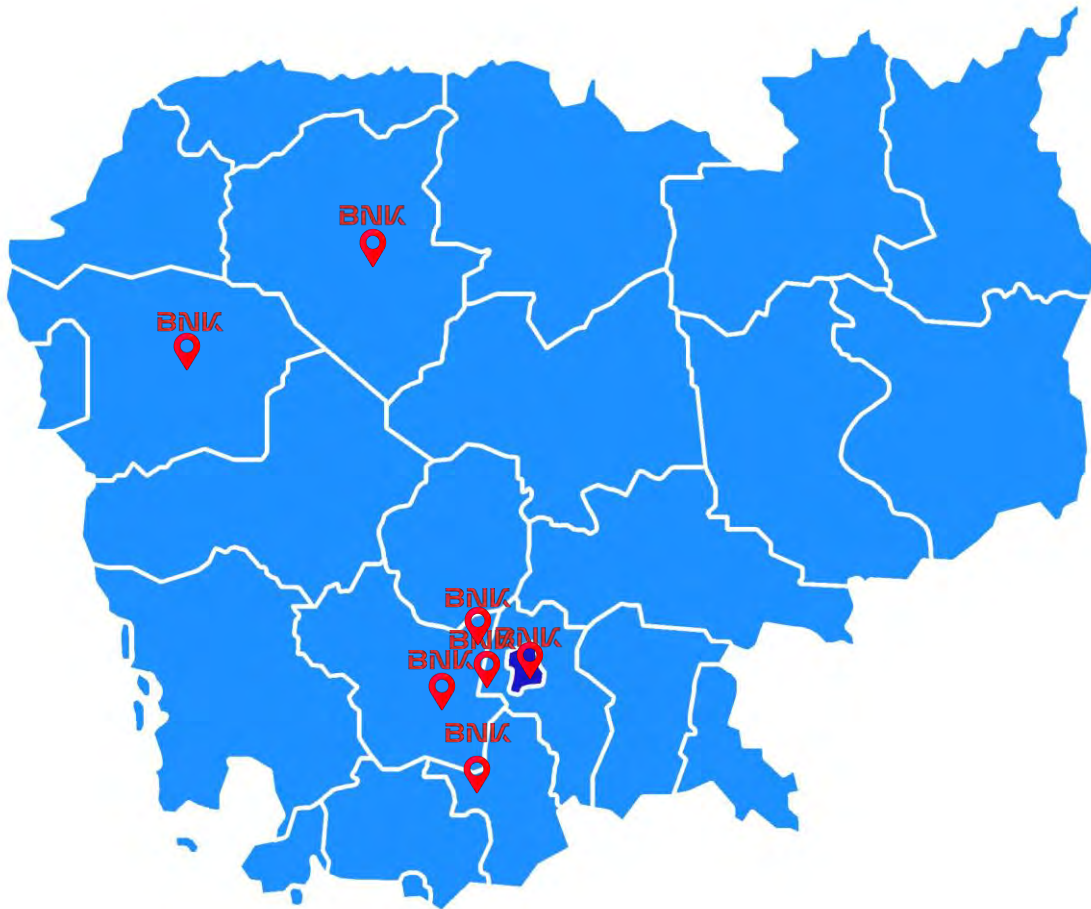
이대광

LEE DAE KWANG

Chief Executive Officer



OPERATION AREAS

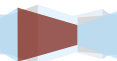


Due to, well performing and hardworking of all the employees, our institution's business significantly and rapidly grow from year to year. Comparing to the previous year, BNKC (Cambodia) Microfinance Plc. we are keep moving in expanding our operation.

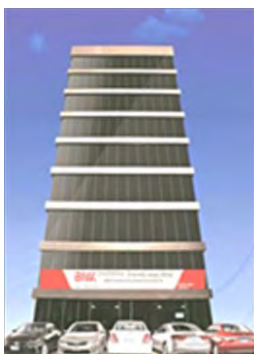
Below are our operation results as December 31st 2019:

- Client balance: 3172
- Outstanding Balance: USD 22.6 million
- Operated Area: 1502 Villages, 425 Communes

Currently BNKC (Cambodia) Microfinance Institution has 7 branches; each branch has the impressive result from month to month.



Head Office



Ground Floor & 1st Floor of B-Ray Tower, Preah Nordon Blvd., Sangkat Tonle Bassac, Khan Chamcarmon, Phnom Penh
Tel: (855) 23 213 900
Website: www.bnkcmfi.com

Angk Snoul Branch



Chong Bangkoul Village, Beak Chan Commune, Angk Snoul District, Kandal Province
Tel: (855) 23 729 711

Battambang Branch

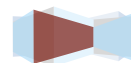


Kammakor Village, Sangkat Svay Por, Krong Battambang, Battambang Province
Tel: (855) 53 952 952

Chbar Mon Branch



Borei Kammeakkar Village, Rokar Thum Commune, Krong Chbar Mon, Kampong Speu Province
Tel: (855) 25 210 229



Odongk Branch



Odongk Village, Veang Chas Commune,
Odongk District, Kampong Speu Province
Tel: (855) 25 218 282

Siem Reap Branch

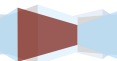


Treang Village, Sangkat Sla Kram,
Krong Siemreap, Siemreap Province
Tel: (855) 63 756 722

Tram Kak Branch



Prey Rumdeng Village, Angk Ta Saom
Commune, Tram Kak District, Takeo Province
Tel: (855) 32 215 215



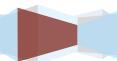
PRODUCTS AND SERVICES HIGHLIGHTS

General Business Loan: It is an individual or group loan which provides to Cambodian who needs to use for starting and expanding their business in order to earn more the income. This loan size is up to USD 50,000 or equivalent Khmer Riel and loan term is up to 72 months.



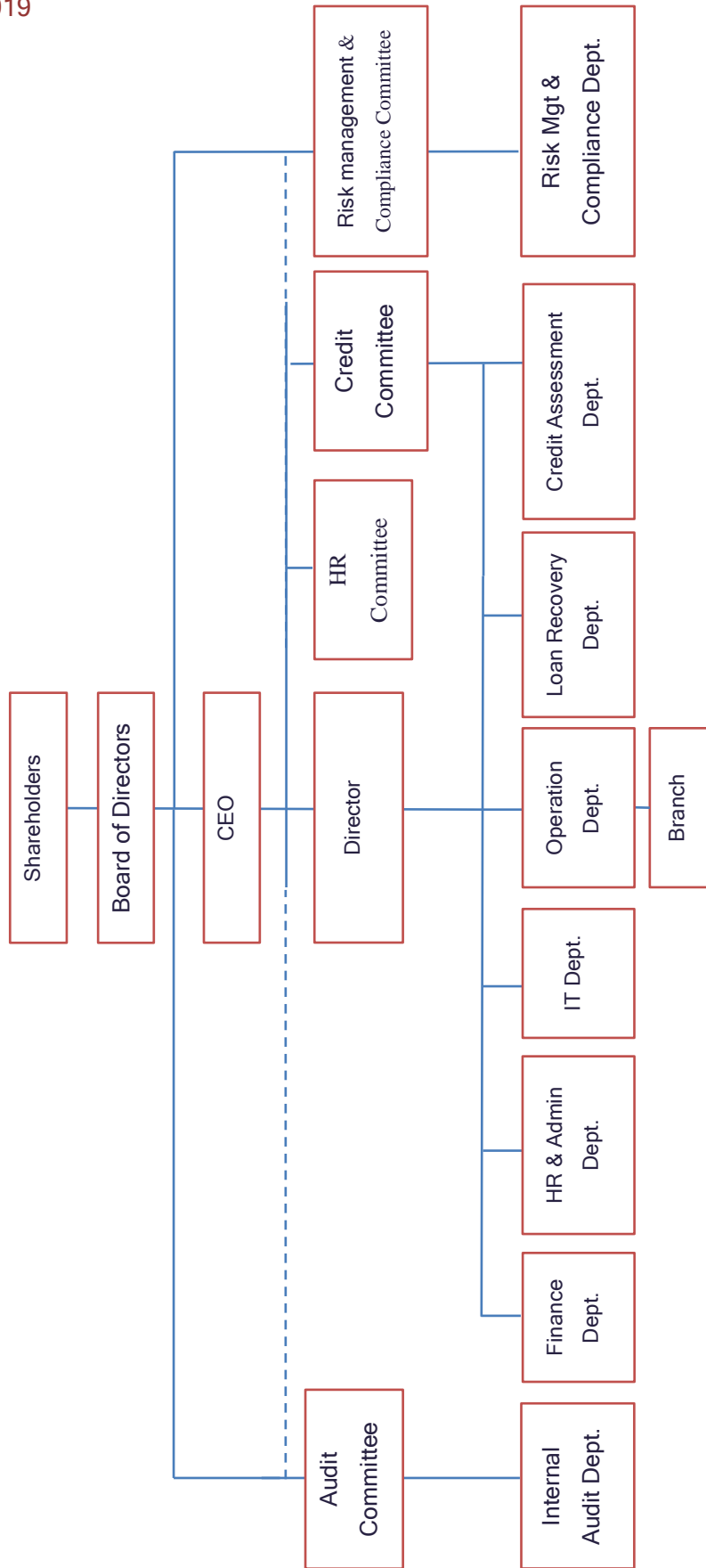
Seasonal Loan: It is an individual or group loan which provides to farmer who needs to use for expanding their agriculture business in order to earn more income. This loan size is up to USD 10,000 or equivalent Khmer Riel and loan term is up to 24 months.

Personal Loan: It is an individual loan which provides to Cambodian who needs to buy materials for family or personal using. This loan size is up to USD 15,000 or equivalent Khmer Riel and loan term is up to 60 months



ORGANIZATIONAL STRUCTURE

As December 2019



SHARE HOLDERS



“We, BNK CAPITAL put our clients’ values first and make our best effort to become a top financial company leading loan-specializing financial companies in the future.”

BNK Capital Co., Ltd is the former BS Capital Co., Ltd. which changed its name to BNK Capital Co., Ltd. in March 2015. BNK Capital Co., Ltd. was founded in 2010 based in Busan, South Korea. BNK Capital Co., Ltd. is a subsidiary of BNK Financial Group Inc.

BNK Capital Co., Ltd operates as a specialized loan company in South Korea, which primarily focuses on providing support for low and middle income households. The company provides personal loans, lease financing, installment financing, corporate loans, factoring, discounted bill, auto loan services, house loans etc.

BOARD OF DIRECTORS



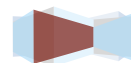
Mr. LEE DOO HO
Chairman of the Board



Mr. RYU HUISEOK
Member of the Board



Mr. LEE DAEKWANG
Member of the Board



MANAGEMENT PROFILE

Mr. LEE DAEKWANG

Chief Executive Officer



Mr. Lee Daekwang joined BNKC (Cambodia) Microfinance Institution Plc. as Chief Executive Officer on July 2018. He holds a bachelor degree of Business Administration at Sejong Cyber University.

He has a lot of experiences in Financial Industry in Republic of Korea. He was a Finance Manager of Dae woon Finance Co., Ltd Ang yang Branch for 11 years. He also worked as Auto Sale Manager of Aju Capital Co., Ltd at Anyang and Bucheon Branch for 4 years. Before he came to Cambodia he worked as BNK Capital Co., Ltd Seoul and Suwon Branch Manager for 5 years. He also has various experiences in staff management, Credit Operation, Credit risk protection. During his working time at BNK Capital, he always achieved the business plan the assigned by the superior. Because of his outstanding and professional performances in financial industry he was assigned as Chief Executive Officer of BNKC (Cambodia) Microfinance Institution Plc. until now.

Mr. LEE SIHYUN

Director



Mr. Lee Sihyun worked as Director of BNKC (Cambodia) Microfinance Institution Plc. from July 2019. He graduated from Pukyong National University major of High Polymer Engineering in 1998.

He has long experience in Banking and Financial industry in Republic of Korea. He worked in Busan Parangsae Saving Bank for 4 years as Credit Management Supervisor. He joined BNK Capital in October 2011. Due to his outstanding and professional performing in Banking and Financial during his working period at BNK Capital he was promoted to many position from year to year such as Manager of counseling Center, Manager of CS Planning Team, Manger of Loan Review Team and Manager of Risk Management Team.

Mr. SOUNG SAVUTH
Loan Recovery Manager



Mr. Soung Savuth joined BNKC (Cambodia) Microfinance Institution Plc. in April 2015. He obtained Master Degree in Education Administration and leadership from Royal University of Phnom Penh in 2011 and Bachelor Degree of English for Communication from Western University in 2017. He also obtained additional non-degree 2 years course in pedagogy at Regional Pedagogy Center, Prey Veng province in 2000 and he also attend various short course such as human right, life skills, land law, etc.

He has long experience in Banking and Financial industry. Before joining BNKC, he worked as Senior Credit officer for 6 years in a bank. He was a mathematic and physic teacher and English lecturer over 8 years.

During his working time in banking and financial industry, he had experience in identifying risk for operation areas, marketing research, setting operation strategic plan, handling problem with overdue clients, loan assessment, collateral evaluation, writing loan proposal, defending loan proposal. He also has experience in staffs training such as loan policy training, loan and collateral assessment training etc.

Mr. HAK SENSOPHEAK
Operation & Credit Assessment Manager

Mr. Hak Sensopheak joined BNKC (Cambodia) Microfinance Institution Plc. in April 2019. He has 10 years' experience in Banking and Microfinance industry. He was a Branch Manager in a bank for 7 years, Operation manager at Microfinance Institution for 3 years. He has multiple skills in banking and microfinance industry such as loan assessment, credit risk assessment, credit review, CBC control, Loan recovery skill, finance and accounting management, communication management etc.



He obtained Master Degree of Business Administration from National University of Management in 2009 and Bachelor Degree of Agricultural Economics and Rural Development at Royal University of Agriculture in 2005. He also attended various short term course such as Human right course, Good Governance and Leadership course, Employment and Labor law, Accounting Skill etc.

Mr. PHENG PHEAK

Finance Manager



Mr. Pheng Pheak started his career at BNKC (Cambodia) Microfinance Institution Plc. in August 2019. Prior to joining at BNKC he earned may experience in financial, accounting and auditing sector. He used to work as Internal Auditor for 4 years at Microfinance Institution, Accountant and senior accountant for 3 years, Senior Financial controller for 3 years. Because of his outstanding performance he was promoted to management level from year to year. He also used to be a Deposit Business Analysis Manager and Financial & Administration Manager. He has multi skill in Financial and accounting management such as budgeting and financial report; consolidate monthly and annually NBC and Tax report, tasks related to accounts and closing accounts, tasks related to account audit, create, open and close chart of account, establish work activities plan, manage financial statement and financial performance ratio etc. Beside these, he also used to work as Part-time Financial Accounting and Auditing lecture at university.

Mr. Pheak obtained his Master Degree in Financial Management at Royal University of Law and Economic in 2011 and Bachelor Degree of Accounting and Finance at National University of Management on 2005. He also attend various short-course related to Financial and Accounting such as Tax service agent, Advanced TOT Course, Business Intelligent, Compliance and Legal Aspects for Microfinance Operations, IFRS Training, Balance sheet Risk Management and Risk Reporting, Cambodia Corporate income tax and Differed Income Tax, Cambodian Taxation etc.

Mr. UN RATTANAK

Human Resource & Admin Supervisor



Mr. Un Rattanak joined BNKC (Cambodia) Microfinance Institution Plc. in June 2016; prior to his career at BNKC he has 3 years' experience in Administration and Finance Manager & Project Assistant Manager at one Construction Company. He also was a School Director of ICMS Mission Society NGO based in Thailand for 1 year.

He obtained Master Degree in Business Management at Build Bright University in Mach 2015. In 2012, he had pursued Bachelor Degrees in Inter-Cultural Studies and English Language and Literature from KOSIN

University, Busan City Republic of Korea. Beside this, he also attended various vocational training course such as Leadership Skill, Administration & office Management, Cambodia Labor Law, HR Manual and Policy Writing, Managing Employee Performance, Compliance etc.

Mr. AN SOKKHAK

Information Technology Supervisor



Mr. An Sokkhak joined BNKC (Cambodia) Microfinance Institution Plc. in April 2015. Prior to joining BNKC, he was a Database Administrator of a Microfinance Institution for 2 years, a Database Administrator and Soft Developer in a company for 2 years. He also was an IT Coordinator at a private school for 1 year and an IT teacher for half year.

He obtained a Bachelor Degree of Computer Science and Engineering from Royal University of Phnom Penh in 2009. Beside this, he also attended various vocational training such as; C-Programming, C++, Java programming (OOP, Servlets, JSP), C#, PHP, My SQL, ASP.net, Java/VB Script, CSS, VB.net, SQL Server and Database Management System.

Mr. ROEUN RITHEA

Head of Internal Audit

Mr. Roeun Rithea has been worked as Head of Internal Audit from 2019. He started his career as Internal Auditor in the field of Banking and Microfinance in March 2014. He used to be an Internal Auditor at Microfinance Institution for 3 years, and he was promoted to Senior Internal Auditor in Jan 2018. As an Internal Auditor, he is in charge of many tasks such as updating audit programs including procedure, conduct audit on operation, Finance, Human Resource, Information Technology and lead the group on conducting audit at branch level. He also responsible for making audit plan, consolidate audit report and send to audit committee and high level management, make the recommendation to related department and branch to ensure all risk were prevented and solved timely.



He obtained Bachelor Degree of Accounting from Norton University in 2009. To improve his ability as an Internal Auditor he attended many short course programs such as Internal Control and fraud Risk Prevention, Cambodian Taxation, Internal Audit Management, Principle of Auditing etc.

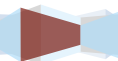
Ms. SIE NAI LENG

Senior Compliance Officer



Ms. Sie Naileng joined BNKC (Cambodia) Microfinance Institution Plc. in January 2019. Prior to joining BNKC, she was a legal assistant at one law firm for a year. She also was a Compliance Officer at a Microfinance Institution for 2 years. Working at BNKC, she is in charge of 3 main tasks; such as internal control, task related to Anti-Money Laundry (AML) and Combating the Financing of Terrorism (CFT), Legal and work closely to NBC, MOL, GDT.

She obtained her Bachelor Degree of Law from Royal University of Law and Economic in 2017. She attended short courses related to her career; such as Principle Knowledge on AML/CFT and other meeting hosted by National Bank of Cambodia, General Tax Department and Ministry of Labor etc.



EMPLOYEE CAPACITY DEVELOPMENT



Employee capacity development is the strongest pillar that establishes high performance, optimum results and company success. As the result of the increasing of operation area and number of employee there has been signification human resource development at BNKC (Cambodia) Microfinance Institution Plc. in the year of 2019. The Institution has been developed employee

capacity in accordance with financial and banking sector integration need as well as the principle of stability and work proficiency. In the year of 2019, the Institution has been conducted internal training, external training, Staffs Exposure Visit to the relevant staffs.

Internal Training

The internal training was conducted in the purpose of building employee's skill related to their daily task, stay up to date with the policies and guideline change of the Institution. Especially the new staffs were provided the internal training as they join the Institution.

Employees benefit from internal training because having the necessary tools to be successful makes them more productive. The Internal training was conducted by management staffs, high- performing staffs or professional staffs of the Institution.

In 2019 the internal training was conducted by related department as below:

- **Human resource & Administration Department**
 - Introduction to BNKC (Cambodia) Microfinance Institution Plc. to new staffs.
 - Whistle blowing Policy
 - Staff benefits

- **Operation Department**
 - Credit Policy



- Credit Risk Management
- Loan Evacuation
- Loan Product Selling Skill
- Operation Strategies

▪ **Credit Assessment Department**

- Credit Assessment
- Risk Assessment
- CBC Report Checking
- Using System Loan Assessment



▪ **Loan Recovery Department**

- Fraud Management Policy
- Loan Recovery Guideline
- Loan Recovery Procedure



▪ **Finance Department**

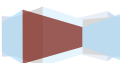
- Guideline Of Disbursement
- Customer Satisfaction Guideline
- Counterfeit Money

▪ **Information Technology Department**

- MBWIN System
- New Core banking System

▪ **Compliance Department**

- Anti-Money Laundering and Terror Financial Combating



External Training



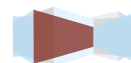
As a Microfinance Institution, beside internal training, BNKC also sent their staffs to joined external training and Seminar which conducted by National Bank of Cambodia, Cambodia Microfinance Association (CMA), General Department of Taxation (GDT), Credit Bureau Cambodia (CBC) and related ministries;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

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

In 2019 BNKC (Cambodia) assigned their staffs to joined external training courses and seminars as below:

Training Topic	Trainee	Training Institution	Date
The Universal Standards for Social Performance Management	Credit Assessment Officer	CMA	Jan, 28~30 th 2019
National Strategy for Combating Money Laundering and Financing of Terrorism 2019-2023	Senior Compliance Officer	NBC	March, 14 th 2019
Riel Stability Review 2018	Finance Manager	NBC	April, 24 th 2019
Managing Employee Performance	HR & Admin Supervisor	EDI	May, 4~5 th 2019
Work shop on Credit Scorecard	Operation & Credit Assessment Manager	CBC	June, 20 th 2019
Guideline on Seniority Payment of each year from 2019	Senior Admin Officer	MOL	July 2019
Regulatory Compliance Certification Course	Senior Compliance Officer	IBF	Sept, 3 rd 2019

What is DF Platform	HR & Admin Officer	CMA	October, 3 rd 2019
HR Club meeting	HR& Admin Supervisor	CMA	Oct, 25 th 2019
Compliance Officer Network Group meeting	Senior Compliance Officer	CMA	Oct, 30 th 2019
Annual Conference on Digitalization for financial inclusion : “Opportunities and Challenges”	Operation Manager	CMA	Nov, 22 nd 2019
Member Working Committee	Credit Assessment Manager/IT Supervisor	CBC	Dec, 27 th 2019

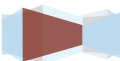


EXPOSURE VISIT



Every year BNKC (Cambodia) Microfinance Institution Plc. has sent employees for exposure visit to the Republic of Korea as the invitation of parent company, BNK Capital. The purpose of this program is to provide the opportunity to outstanding staffs to visit Korea, to understand Korean Culture, to gain and sharing experience of credit operation from each other among the participants of BNK Capital's subsidiaries from other countries.

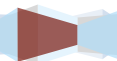
In this year, 8 outstanding employees had the opportunity participate in 2019 Exposure Visit to Busan and Seoul from 13th to 18th October 2019. BNK Capital hosted this program, which included workshop, training, field trip and visiting of Korean Culture sites.



ANNUAL WORKSHOP AND STAFF PARTY



BNKC (Cambodia) Microfinance Institution Plc. hosted 2019 Annual Workshop and Annual Party on January, 4th 2020 at Sokha Phnom Penh Hotel. The workshop was conducted in the purpose of reviewing 2019 works achievement, discussing about problem faced in 2019 and finding the solution and establish work plan for 2020. The workshop was proceed by group discussion, brief introduction of BNK capital and BNKC Cambodia by Chief Executive Officer, presentation of each department.



At the end of workshop, Chief Executive Officer gave the award to outstanding Management, outstanding Branch, outstanding Department and outstanding employees.



Outstanding Branch Manager Awardee

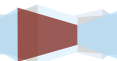
Outstanding Team Leader awardee



Best Hardworking Employees and Hardworking Department Awardee



At the same day, BNKC hosted its 2019 Annual Party at Sokha Phnom Penh Hotel. This annual Party is held in the purpose of expressing gratitude to all employees for their working hard in order to achieve the institution goal and create a pleasant time among employees. All staffs of BNKC were enjoyed the party which included delicious dinner, each branch's talent show, lucky draw, dancing, especially enjoy the special performance of Cambodia popular singer Ms. Reth Suzana.



CORPORATE SOCIAL RESPONSIBILITY

Besides focusing on business, BNKC also engages social activities. In this year BNKC (Cambodia) Microfinance Plc. organized the charity program call “Happy Sharing” under the theme of “Hope and Love”. This program organized at the 3 provinces on September 14th 2019, Kampong Speu, Siem Reap and Battambang. In this occasion the Institution’s staffs donate some cash, rice, and food to the orphanage center and to the poor communities and donate some study materials to the students at communities. This was the second consecutive year BNKC carried out its charity project and pledged to continue its charity activities in the future. Mr. Lee Daekwang, CEO of BNKC, said his office will try to reach out to more marginalized communities in the future through the "Happy sharing" charity program.



BNKC’s donation activity at Noun Ork Prey Chum Orphanage Center, Kampong Speu Province



BNKC’s donation activity at Svay Leu District, Siem Reap Province



BNKC’s donation activity at Ek Phnom District, Battambang Province

INDEPENDENT AUDIT REPORT

Grant Thornton (Cambodia) Limited
20th Floor Canadia Tower
315 Preah Ang Duong Street
corner Monivong Boulevard
Sangkat Wat Phnom
Khan Daun Penh
Phnom Penh
Kingdom of Cambodia

T +855 23 966 520
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To the shareholders 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 2019, and the statement of profit or loss and other 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 and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2019, and its financial performance and its cash flows for the year then ended, in accordance with Cambodian International Financial Reporting Standards for Small and Medium sized-Entities (“CIFRSs for SMEs”) and guidelines issued by the National Bank of Cambodia (“NBC”).

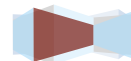
Basis for opinion

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 International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (“IESBA Code”) together with the ethical requirement that are relevant to our audit of financial statements in the Kingdom of Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Report of the Board of Directors, but does not include the financial statements and our auditor’s report thereon, which we have obtained prior to the date of this auditor’s report, and the annual report which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information prepared by Management and we do not and will 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Directors and respond to other matters in accordance with the requirements of CISA 720 (revised).

Other matter

The financial statements of the Company for the year ended 31 December 2018 were audited by another auditor who expressed an unmodified opinion on those financial statements on 29 April 2019.

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with CIFRSs for SMEs and guidelines issued the NBC, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

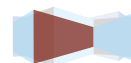
In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 the Board of Directors.



- Conclude on the appropriateness of the Board of Directors' 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.

We communicate with the Board of 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.

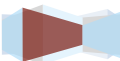
We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Grant Thornton
 GRANT THORNTON (CAMBODIA) LIMITED
 Certified Public Accountants
 Registered Auditors



Ronald C. Almera
 Ronald C. Almera
 Partner - Audit and assurance

Phnom Penh, Kingdom of Cambodia
 12 May 2020



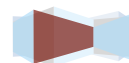
Statement of Financial Position

	Note	31 December 2019		31 December 2018	
		USD	KHR'000 (Note 3.2)	USD	KHR'000 (Note 3.2) (Restated)
Assets					
Cash and cash equivalents	5	2,806,587	11,436,842	1,005,295	4,039,275
Statutory deposits with the NBC	6	750,000	3,056,250	750,000	3,013,500
Loans and advances to customers, net	7	22,493,066	91,659,244	11,912,031	47,862,541
Other assets	8	93,137	379,533	51,412	206,573
Property and equipment	9	457,716	1,865,193	393,299	1,580,276
Intangible assets	10	74,032	301,680	5,787	23,252
Total assets		26,674,538	108,698,742	14,117,824	56,725,417
Equity and liabilities					
Equity					
Share capital	11	15,000,000	61,125,000	15,000,000	60,270,000
Regulatory reserve	12	147,419	600,732	70,809	284,511
Accumulated losses		(815,043)	(2,853,290)	(1,178,567)	(4,636,713)
Cumulative translation differences		-	(468,010)	-	(98,770)
Total equity		14,332,376	58,404,432	13,892,242	55,819,028
Liabilities					
Borrowings	13	11,939,380	48,652,974	-	-
Other payables	14	397,736	1,620,774	223,132	896,545
Income tax payable	18.2	5,046	20,562	2,450	9,844
Total liabilities		12,342,162	50,294,310	225,582	906,389
Total equity and liabilities		26,674,538	108,698,742	14,117,824	56,725,417



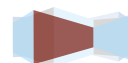
Statement of Profit or Loss and Other Comprehensive Income

	Note	For the year ended 31 December 2019		For the year ended 31 December 2018	
		USD	KHR'000 (Note 3.2)	USD	KHR'000 (Note 3.2) (Restated)
Interest income	15	2,904,903	11,770,667	1,439,716	5,823,651
Interest expense		(398,456)	(1,614,544)	-	-
Net interest income		2,506,447	10,156,123	1,439,716	5,823,651
Other income	16	336,363	1,362,943	222,283	899,135
Operating income		2,842,810	11,519,066	1,661,999	6,722,786
General and administrative expenses	17	(2,293,444)	(9,293,035)	(1,528,493)	(6,182,754)
Allowance for balances with other banks	5.2	(18,054)	(73,155)	(9,790)	(39,601)
Allowance for bad and doubtful loans	7	(55,766)	(225,964)	(47,506)	(192,162)
Profit before income tax		475,546	1,926,912	76,210	308,269
Income tax expense	18.1	(35,412)	(143,489)	(17,616)	(71,257)
Net profit for the year		440,134	1,783,423	58,594	237,012
Other comprehensive income:					
Currency translation differences		-	(369,240)	-	(98,770)
Total comprehensive income for the year		440,134	1,414,183	58,594	138,242



Statement of Changes in Equity

	Note	Share capital		Regulatory reserves		Accumulated losses		Cumulative translation differences		Total equity	
		USD	KHR'000	USD	KHR'000	USD	KHR'000	USD	KHR'000	USD	KHR'000
Balance at 1 January 2019	11	15,000,000	60,270,000	70,809	284,511	(1,178,567)	(4,636,713)	(98,770)	13,892,242	55,819,028	
Profit for the year		-	-	-	-	440,134	1,783,423	-	440,134	1,783,423	
Excess of the NBC's loan provision requirement over CIFRS for SMEs	12	-	-	76,610	312,186	(76,610)	(312,186)	-	-	-	
Currency translation differences		-	855,000	-	4,035	-	312,186	(369,240)	-	801,981	
Balance as at 31 December 2019	11	15,000,000	61,125,000	147,419	600,732	(815,043)	(2,853,290)	(468,010)	14,332,376	58,404,432	
Balance at 1 January 2018		10,000,000	40,370,000	-	-	(1,170,086)	(4,723,637)	-	8,829,914	35,646,363	
Adjustment from the adoption of CIFRS for SMEs	24.1	-	-	40,912	165,162	(37,178)	(150,088)	-	3,734	15,074	
Adjusted Balance at 1 January 2018		10,000,000	40,370,000	40,912	165,162	(1,207,264)	(4,873,725)	-	8,833,648	35,661,437	
Capital contribution during the year	11	5,000,000	20,225,000	-	-	-	-	-	5,000,000	20,225,000	
Profit for the year		-	-	-	-	58,594	237,012	-	58,594	237,012	
Excess of the NBC's loan provision requirement over CIFRS for SMEs	12	-	-	29,897	120,126	(29,897)	(120,126)	-	-	-	
Currency translation differences		-	(325,000)	-	(777)	-	120,126	(98,770)	-	(304,421)	
Balance as at 31 December 2018 (Restated)	11	15,000,000	60,270,000	70,809	284,511	(1,178,567)	(4,636,713)	(98,770)	13,892,242	55,819,028	



Statement of Cash Flows

	Note	For the year ended 31 December 2019		For the year ended 31 December 2018	
		USD	KHR'000 (Note 3.2)	USD	KHR'000 (Note 3.2) (Restated)
Operating activities					
Net profit before tax		475,546	1,926,912	76,210	308,269
Adjustments for:					
Depreciation	9	4,107	16,642	3,095	12,519
Amortisation	10	167,201	677,498	115,064	465,434
Allowance for bad and doubtful loans	7	55,766	225,964	47,506	192,162
Allowance for balances with other banks	5.2	18,054	73,155	9,790	39,601
Interest expense		398,456	1,614,544	-	-
Loss on disposals of property and equipment		1,354	5,486	-	-
Unrealised exchange losses/(gain)		11,746	47,595	(12,623)	(51,060)
Operating profit before changes in working capital		1,132,230	4,587,796	239,042	966,925
Net change in working capital:					
Changes in statutory deposits with the NBC		-	-	(250,000)	(1,011,250)
Change in loan and advance to customers		(10,651,937)	(43,161,649)	(6,008,169)	(24,303,044)
Change in other assets		(41,725)	(169,070)	(3,682)	(14,894)
Change in other payables		174,604	707,495	122,822	496,815
Cash flow from operating activities		(9,386,828)	(38,035,428)	(5,899,987)	(23,865,448)
Income tax paid		(32,816)	(132,970)	(16,161)	(65,371)
Net cash flow used in operating activities		(9,419,644)	(38,168,398)	(5,916,148)	(23,930,819)
Investing activities					
Acquisitions of property and equipment	9	(247,372)	(1,002,351)	(199,692)	(807,754)
Acquisitions of intangible assets	10	(72,352)	(293,170)	(2,200)	(8,899)
Proceed from disposals of property and equipment		14,400	58,349	-	-
Net cash flow used in investing activities		(305,324)	(1,237,172)	(201,892)	(816,653)
Financing activities					
Proceed from borrowings		11,940,283	48,382,0327	-	-
Interest payments		(395,939)	(1,604,345)	-	-
Capital contribution	11	-	-	5,000,000	20,225,000
Net cash from financing activities		11,544,344	46,777,682	5,000,000	20,225,000
Net change in cash and cash equivalents		1,819,376	7,372,112	(1,118,040)	(4,522,472)
Cash and cash equivalents, beginning of year	5.1	1,015,085	4,078,611	2,133,125	8,611,426
Currency translation difference		-	99,706	-	(10,343)
Cash and cash equivalents, end of year	5.1	2,834,461	11,550,429	1,015,085	4,078,611

