

YOUR BEST BUSINESS PARTNER

# ANNUAL REPORT 2021



**ANNUAL REPORT**

**2021**

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### កម្ចីខ្នាតមធ្យម

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ងាយស្រួលក្នុងការស្នើសុំកម្ចី និងអាចបង់សងតាម  
ការិយាល័យ ប៊ីអេសខេស៊ី នៅជិតទីតាំងលោកអ្នកបំផុត។

☰ ការណែនាំកម្ចី

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ទំហំកម្ចី ចាប់ពី ១៥.០០០  
ឡើងទៅ

អត្រាការប្រាក់ ០.៩% ទៅ ១.៥.៤% ក្នុង  
មួយខែ (អាស្រ័យលើ  
ការចរចា)

រយៈពេលខ្លី សងរំលស់ទាំងមូល  
វិធីសាស្ត្រទូទាត់ ការប្រាក់រៀងរាល់ខែ /សងរំលស់  
ទាំងប្រាក់ដើម និងការប្រាក់  
ចេរៀងរាល់ខែ /សងប្រាក់ដើម  
នៅចុងគ្រា និងការប្រាក់ស

ស្នើសុំឱ្យ



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### OUR Team

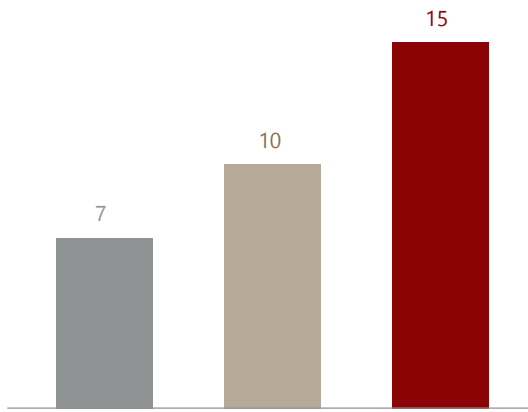
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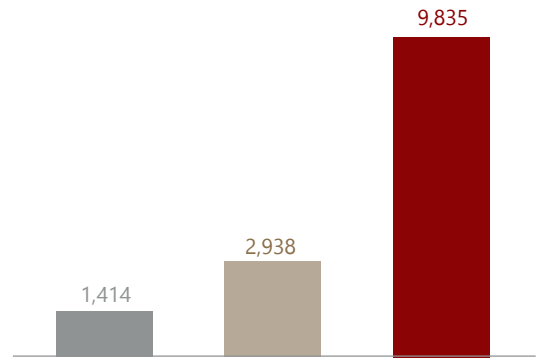
# KEY FIGURES

## BRANCH

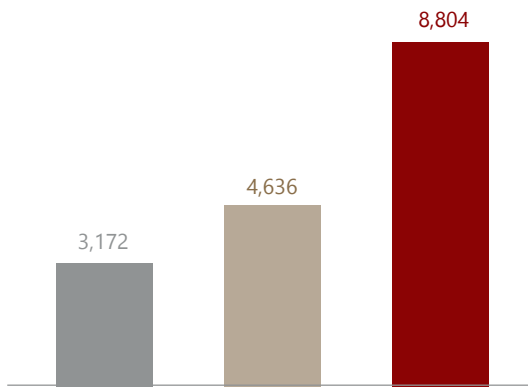


## NET PROFIT

(KHR'000)

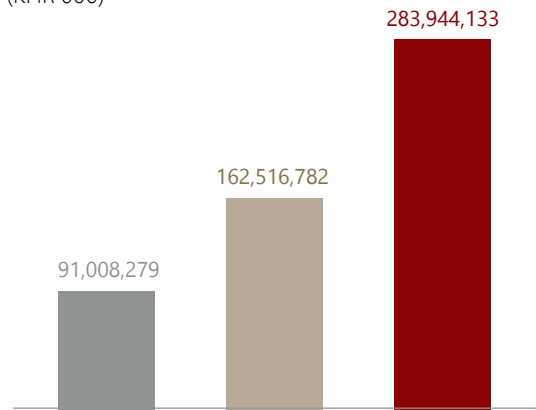


## CUSTOMER

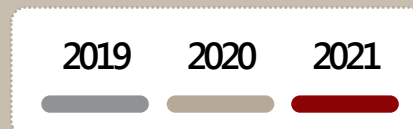
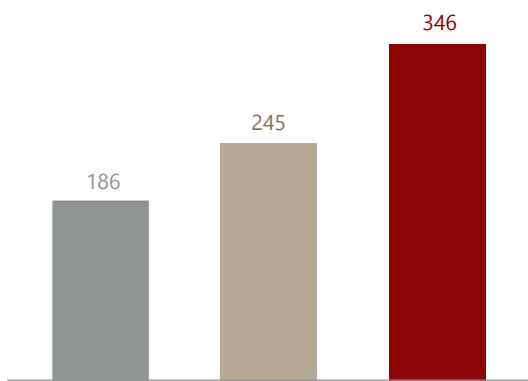


## OUTSTANDING BALANCE

(KHR'000)



## STAFF





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

# SHAREHOLDERS

## BNK Capital

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, and etc.



Share Percentage



Registered Capital



BNK Capital Co., Ltd Headquarters



Outstanding staff from overseas corporations joined 'We Are BNK!' program, held by BNK Capital Korea



# BOARD OF DIRECTORS



**Mr. LEE DOOHO**  
Chairman of the Board



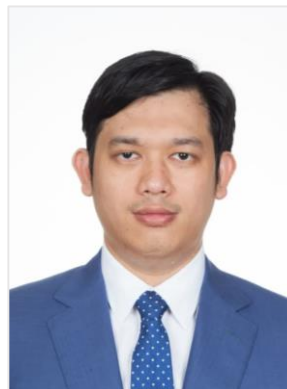
**Mr. KIM SOONJO**  
Member of the Board



**Mr. KIM SUNGHWA**  
Member of the Board



**Mr. KIM JONGCHUL**  
Member of the Board



**Mr. IV POLY**  
Independent of the Board



## **Vision**

Provide the best financial services to Cambodian with sustainable growth

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## **Mission**

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

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## **Strategic Goal**

Develop various products and Expand market areas

Increase integrity and profitability

Improve quality of asset through strengthening risk management

## CEO'S MESSAGE



**Mr. KIM SOON JO**

Chief Executive Officer

Dear Valued Customers! I, KIM Soonjo, the Chief Executive Officer of BNKC (Cambodia) Microfinance Plc.

This year, I can tell that 2021 was more eventfulness than any other year. Since April, many difficulties have occurred due to the COVID-19 pandemic, which has grown around Phnom Penh city. The factory was temporarily shut down, and natural disasters such as floods continued. We had a tough year because of global difficulties.

However, the management of BNKC (Cambodia) MFI (hereinafter referred to as 'BNKC') constantly moved to prevent COVID-19 internally and externally. We have provided maximum support at the company level so that employees can safely conduct operation activities and that customers can safely visit branches.

BNKC has also moved forward to grow with its customers under the slogan 'Your Best Business Partner' promised to them. Therefore, in June 2021, we were able to officially launch <BNKC Mobile App>, a financial service that can use anytime, anywhere.

8,804 customers who continue to show their trust and encouragement!

At the end of 2021, BNKC achieved a Net Asset of 983.5 million KHR, growing 29.9% year-on-year, and achieving a balance of 283,944 million KHR, achieving a growth of 57% year-on-year.

Dear customers! BNKC has improved the quality, accessibility, and speed of its products and services through training operation staff on disciplinary and developing the information technology. The institution has been fulfilling its role in various social participation activities. BNKC has put all efforts in implementing and adhering to all regulations and directives of the National Bank of Cambodia. BNKC also demonstrated the transparency in its operations, strengthened the professionalism of employees, responsibilities, work ethics; and took honest as fundamental.

Once again, BNKC (Cambodia) Microfinance Institution Plc. would like to thank all the customers for their support in using our loan services. We wish you and your family good health, prosperity, and happiness.

Thank you!

A handwritten signature in blue ink, appearing to be the name 'Kim Soonjo' in a stylized, cursive script.

**KIM SOON JO / Chief Executive Officer**

## OPERATION AREA

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, we, BNKC (Cambodia) Microfinance Plc. continue to expand our operations.

USD  
**69 M**

Outstanding  
Balance

**8,804**



Customer Number

**2,560 Villages**

**631 Communes**

**9 Province**

Operated Area

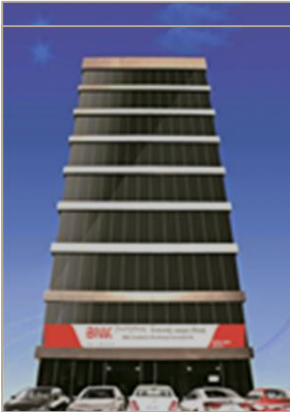


### Detail information of Credit Area (15 branches)

- Phnom Penh City (01 Branch: Head Office)
- Kandal Province (03 Branches: Angksnoul, Kandal Stueng, Khsach Kandal)
- Kampong Speu Province (02 Branches: ChbarMon, Oudong, Basedth)
- Kampong Cham Province (01 Branch: Cheung Prey)
- Takeo Province (01 Branch: TramKak)
- Kampot Province (02 Branches: Chhuk District, Kampot)
- Siem Reap Province (01 Branch Siem Reap)
- Battambang Province (01 Branch: Battambang)
- Banteay Meanchey Province (02 Branches: Serei Saophoan, Paoy Paet)



# BRANCH



**Head Office**  
 GF & 1F of B-Ray Tower,  
 Preah Nordon Blvd.,  
 Sangkat Tonle Bassac, Khan  
 Chamcarmon, Phnom Penh  
 Tel: (855) 23 213 900



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



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



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



**Kandal Stueng Branch**  
 Siem Reap Village, Siem  
 Reap Commune,  
 Kandal Stueng District,  
 Kandal Province  
 Tel: (855) 24 900 135



**Basedth Branch**  
 Slab Leaeng village, Svay  
 Rumpear Commune,  
 Basedth District,  
 Kampong Speu Province  
 Tel: (855) 25 900 110



**Khsach Kandal Branch**  
 Prek Ta Meak Village,  
 Prek Ta Meak Commune,  
 Khsach Kandal District,  
 Kandal Province  
 Tel: (855) 24 900 131



**Cheung Prey Branch**  
 Pana Village,  
 Soutib commune,  
 Cheung Prey District,  
 Kompong Cham  
 Tel: (855) 42 900 110



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



**Battambang Branch**  
 Kammeakor Village, Sangkat  
 Svay Por, Krong Battambang,  
 Battambang Province  
 Tel: (855) 53 952 952



**Chhuk Branch**  
 Chhue Teal Village, Chhuk  
 Commune, Chhuk District,  
 Kampot Province  
 Tel: (855) 33 900 135



**Serei Saophoan Branch**  
 Phum Bei, Sangkat Preah  
 Ponlea, Serei Saophoan  
 Municipality, Banteay  
 Meanchey  
 Tel: (855) 54-900-112



**Kampot Branch**  
 Svay Thum Village,  
 Sangkat Krang Ampil,  
 Kampot Municipality  
 Tel: (855) 33 900 110



**Paoy Paet Branch**  
 Balileyll village, Sangkat Paoy  
 Paet, Paoy Paet Municipality,  
 Banteay Meanchey  
 Tel: (855) 54-900-110



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

# LOAN PRODUCTS



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



**Agriculture Loan** 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 30,000 or equivalent Khmer Riel and loan term is up to 48 months.



**Home Loan** is an individual loan which provides to Cambodian who needs to use to buy land, to build a house, or buy a new house, or condo/apartment. This loan size can be negotiated more than USD 50,000 depending on the actual situation or equivalent in equivalent Khmer Riel and loan term is up to 72 months.



**Home improvement Loan** is an individual loan which provides to Cambodian who needs to use to improve the home. This loan size is up to USD 15,000 or equivalent Khmer Riel and loan term is up to 72 months



**Car Loan** is an individual loan which provides to Cambodian who needs to buy Car for using in family not for business. This loan size is up to USD 30,000 or equivalent Khmer Riel and loan term is up to 72 months.



**Personal Loan** is an individual loan which provides to Cambodian who needs to buy materials for family or personal usage. This loan size is up to USD 15,000 or equivalent Khmer Riel and loan term is up to 72 months.

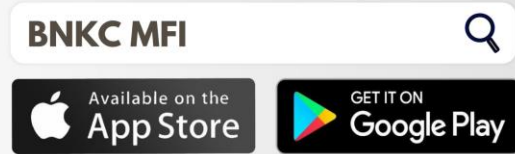


**Hire-Purchase Loan** is an individual loan that does not required collateral and provides to Cambodian who needs to use to buy electronic device such as Phone, laptop, etc. This loan size can be up to USD 10,000 depending on the actual situation or equivalent in equivalent Khmer Riel and loan term is up to 36 months.



# BNKC MFI MOBILE APP

ចាប់ផ្តើមបើក  
ដំណើរការហើយ!

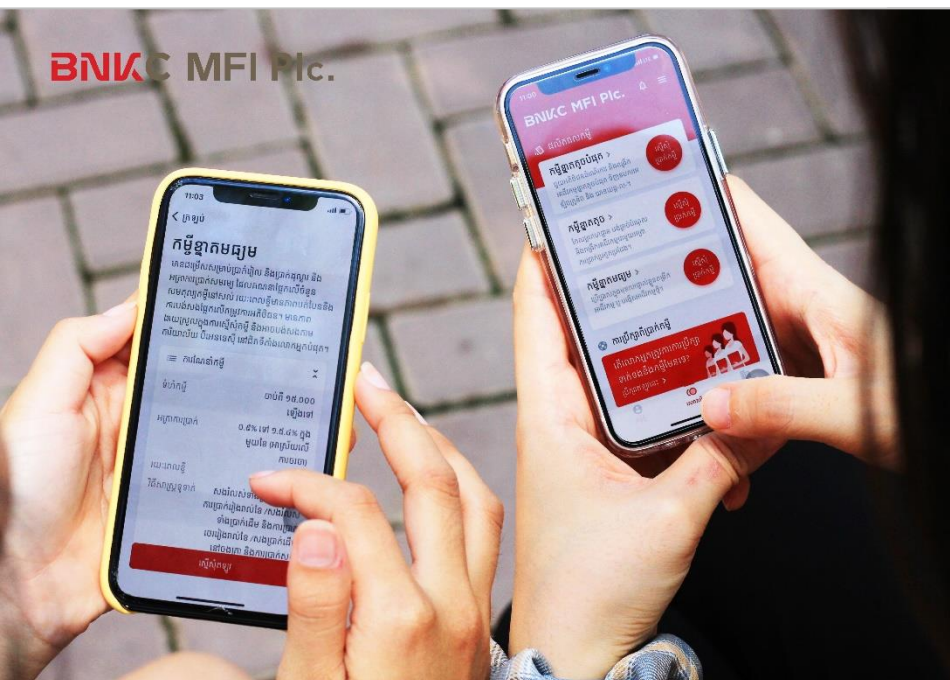


## UNTACT SERVICE, BNKC MOBILE APP

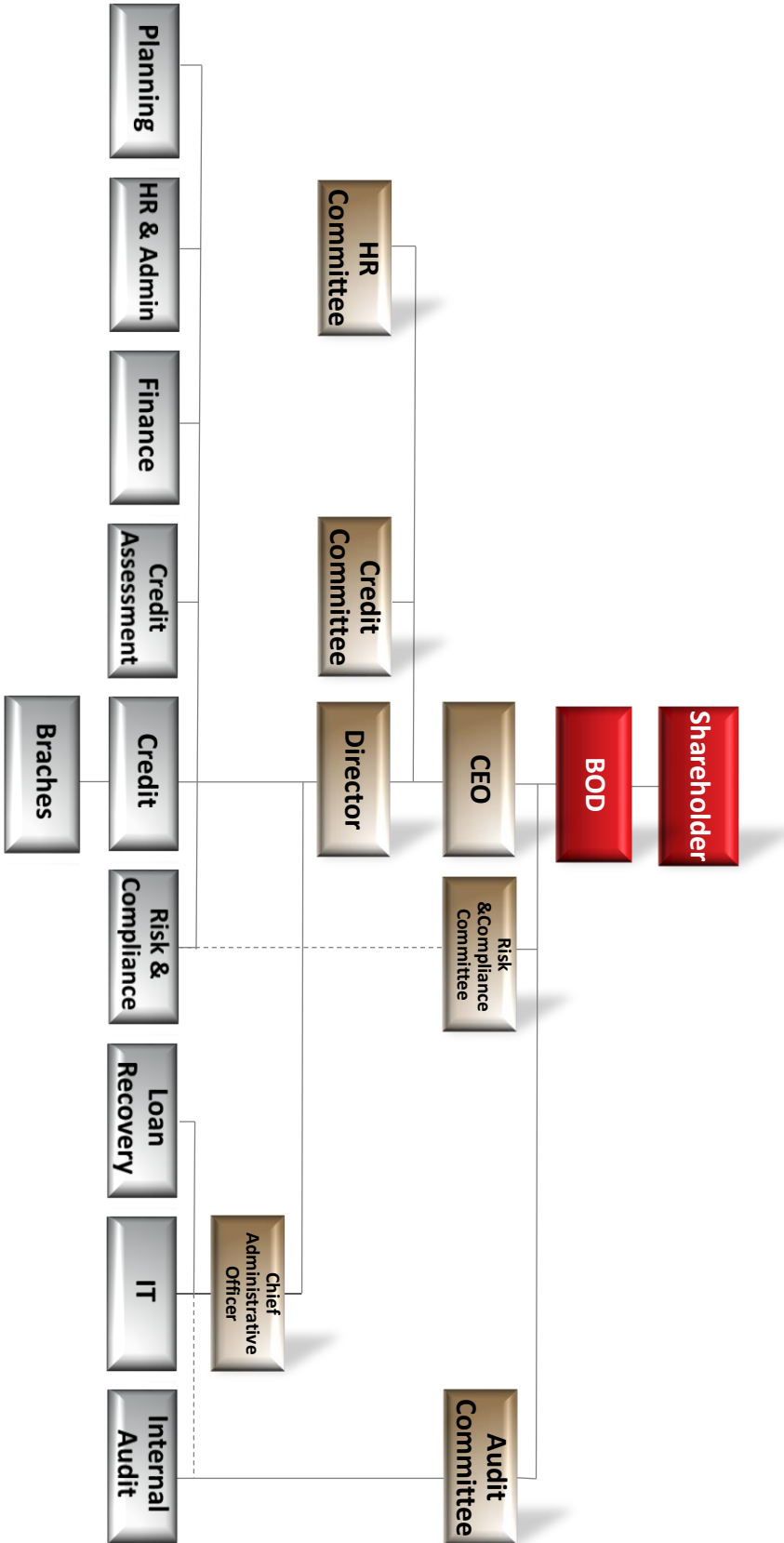
We, BNKC MFI has been launched mobile app namely, BNKC Mobile App in June 2021. The main function of BNKC Mobile App including loan consultation, apply for a loan, check loan repayment schedule, and repayment via Wing.

The BNKC mobile app has been built with a simple and compact UI for convenient use by USER through surveys and tests for about a year. Launching this app has significant implications on both the company and users. USERS can apply loan and manage loans smarter without visiting the branch. In addition, it prevents infection from COVID-19 that has spread worldwide in 2021, which can be spread due to cash use.

As of December 2021, more than 6,600 of user on Android and iOS download BNKC Mobile App. This app is still developing by reflecting and modifying USERS needs for more convenient loan product application and management. In the future, we hope that Cambodian citizens across the country will be able to use faster and easier Loan Services through the App.



# ORGANIZATION STRUCTURE



# EXECUTIVE MANAGEMENT PROFILE



.....● **Mr. KIM SOONJO**

Chief Executive Officer

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



.....● **Mr. LEE SIHYUN**

Director

Sihyun joined BNKC as the Director in July 2019. He graduated with a Bachelor's degree from Pukyong National University, of the Republic of Korea in 1998.

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



.....● **Mr. KIM HYOBIN**

Chief Administrative Officer

Hyobin joined BNKC in September 2021 as the Chief Administrative Officer. He obtained a bachelor's degree in Social Welfare from Kyunghee Cyber University, the Republic of Korea. His career at BNK Capital started in 2014 as a Retail Marketing Team officer. Over the course of 8 years, he participated in various projects, including Mobile App development project, Product Development Project, and etc. His hard work and outstanding achievements contributed greatly to the company during the period. He was transferred to the Retail Sales Support Team, appointed as a Manager five years later and had been working for the company until he became retail planning team manager in 2021.



# MANAGEMENT PROFILE |





.....● **Ms. POUV SALEM**

Head of Planning Department

Salem is the Head of Planning Department at BNKC. She joined the Company in January 2016 as an Assistant to CEO. At the beginning of her career, she start her career in Management field at International school, serving as a Chief Administration Officer. She had also participated in many research and analysis projects on social and economic developments at the Republic of Korea before coming to Cambodia. Salem graduated with a Master's Degree in Public Administration in 2014 from Ewha Womans University, the Republic of Korea and Bachelor's Degrees in both fields, Economics and Public Administration from Ewha Womans University, the Republic of Korea in 2011.



.....● **Mr. UN RATTANAK**

Head of HR & Admin Department

Rattanak is the Head of HR & Admin Department. He joined BNKC in June 2016. Prior to his career at BNKC, He worked as an Administration & Finance Manager and an Assistant Project Manager at a Construction Company for 3 years. He was also a School Managing Director of Thailand-based ICMS Mission Society, NGO for 1 year. Rattanak graduated with a Master's Degree in Business Management from Build Bright University in March 2015. In 2012, He also successfully completed 2 Bachelor's Degrees in Inter-Cultural Studies and English Literature from KOSIN University, Busan City, the Republic of Korea. In addition, He had attended various vocational training courses such as Leadership Skills, Administration and Office Management, Cambodia Labor Law & Compliance, HR Manual and Policy Writing, Managing Employee Performance, and Human Resource Management, etc.



.....● **Mr. PHENG Pheak**

Head of Finance Department

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



.....● **Mr. PEOU CHANMITHONA**

Head of Credit Assessment Department

Chanmithona joined BNKC in June 2020 and appointed as Head of Credit Assessment Department in January 2021. Prior to 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.

Chanmithona 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, Chanmithona also graduated his Associate's Degree in Banking at the Center for Banking Studies.



.....● **Mr. HAK SENSOPHEAK**

Head of Credit Department

Sensopheak joined BNKC in May 2019. He has more than 16 years of experience in the Banking and Microfinance industry. He was a Branch Manager of a well-known bank for 7 years, an Operation manager of Microfinance Institution for 3 years. He has multiple experiences in the banking industry such as credit management, credit risk assessment, credit review, CBC control, Loan recovery, financial management and accounting etc.

Sensopheak obtained MBA of Business Administration from the National University of Management, Phnom Penh in 2009, and BA of Agricultural Economics and Rural Development from the Royal University of Agriculture, Phnom Penh in 2005. He also attended several short-term courses such as Human right course, Good Governance and Leadership course, Employment and Labor law, Accounting Skill etc.



.....● **Ms. SIE NAILENG**

Head of Risk & Compliance Department

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.

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



.....● **Mr. OUM Sobotra**

Head of Loan Recovery Department

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

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



.....● **Mr. AN SOKKHAK**

Head of IT Department

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 was also an IT Coordinator for an International School for 1 year and an IT teacher for half a year.

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



.....● **Mr. ROEUN RITHEA**

Head of Internal Audit

Rithea joined BNKC in May 2019. He started his career as an Internal Auditor in Banking and Microfinance sector for almost 12 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.

Rithea graduated with a Bachelor's Degree in Accounting from Norton University, Phnom Penh in 2009. 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 Internal Audit Master Class etc.



# EMPLOYEE CAPACITY DEVELOPMENT |



**Employee capacity development** is a strong driving force that enables a company to move forward as a continuously growing company. In modern society, success depends on how knowledge is used, how information is researched and how we communicated with other. However, in 2021, We BNKC (Cambodia) Microfinance Institution Plc. could not provide training as usual because of contagiousness of the Covid-19 virus. But Just as stagnant water is bound to rot and running water saves lives, we, BNKC, did not give up and continued to share and communicate through on/offline training even during the lockdown under the implementing 3 Do and 3 Don't Regulation.



# INTERNAL TRAINING



To prevent the spread of Covid-19, employees are required to take turns working from home for a period of time. This was also another great opportunity to show their own responsibility to their duty. To be helpful, the company conducted continuous internal training to both existing and new staff to not only gain a better understanding of the job, but also adopt the right work mindset and ethics. Internal training was conducted by management staffs, high-performing staffs or professional staffs of the company to accurately recognize the policies and guidelines that serve as company guidelines.

In 2021 the internal training was conducted by relevant department as below:

### Human Resource & Administration Department

- Introduction to BNKC (Cambodia) Microfinance Institution Plc. to onboarding employees
- Employee Benefits

### Finance Department

- Finance Policy
- Finance and Administration Expense Guideline
- Effective Finance Control
- Cash Flow Management
- Guideline of Disbursement and Collection
- Customer Satisfaction Guideline
- Counterfeit Money

### Credit Assessment Department

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

### Credit Department

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

### Risk and Compliance Department

- Anti-Money Laundering and Combating the Financing of Terrorism

### Loan Recovery Department

- Anti-Fraud Policy
- Loan Recovery Guideline
- Loan Recovery Procedure

### Information Technology Department

- BNKC Business Roles
- UI BNKC Sub System
- Database BNKC Sub System
- UI BNK Banking System
- Database BNK Banking System





Credit Department



Credit Department



HR & Admin Department



IT Department



System Training

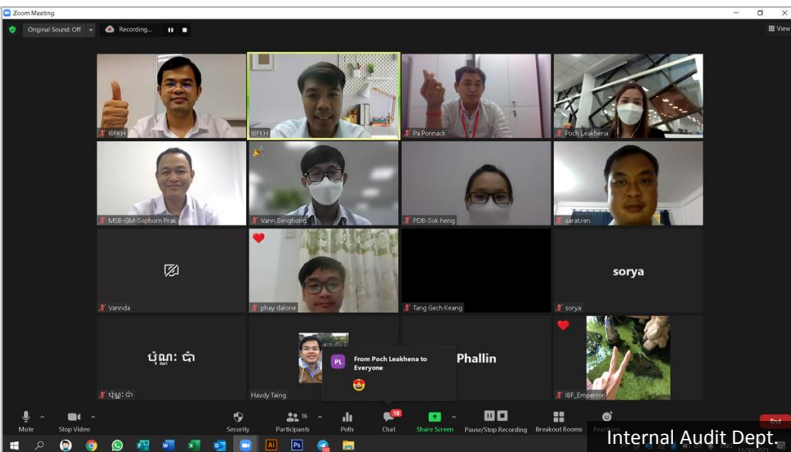


Work from Home



As a Microfinance Institution, besides internal training, BNKC also sent staff to join external trainings and Seminars which are conducted by National Bank of Cambodia (NBC), Cambodia Microfinance Association (CMA), Institute of Banking and Finance (IBF), Home-Ducation (HD) etc. Through external training, employee acquired the knowledge, strategic thinking, and planning skills necessary to achieve effective and gradual performance in performing their duties, thereby enhancing their professionalism.

Training Topic	Trainee	Institution	Date
Employee Performance Management	HR & Admin Supervisor	CMA	22 May
CIFRS for SME	Finance Unit Manager Finance Senior Assistant	CMA	29 May
Human Resource Management and Compliance in Practices for Financial Institution	Head of HRA HR & Admin Supervisor	CMA	24 Jul
Financial Risk Analysis	Internal Audit Senior Assistant	IBF	30 Nov
Strategic Staff Recruitment Management and Retention	Head of HRA HR & Admin Supervisor	Home-Ducation	7, 11, 17 Dec
Cambodia Labor Law and Compliance	HR & Admin Supervisor	Phnom Penh Business School	17, 18 Dec



Internal Audit Dept.



HR & Admin Department



HR & Admin Department



HR & Admin Department

# HEALTH SAFETY DURING THE PANDEMIC



COVID-19 began in Phnom Penh in April 2021 and has since spread wildly throughout Cambodia. All employees frequently disinfect with alcohol in everyday living spaces such as offices, conference hall, corridors, restrooms, and etc. In addition, specialist disinfection services were used to disinfect a whole company. Meanwhile, the company furnished specialized disinfection equipment in the company to conduct disinfect more quickly and efficiently, to prevent the spread in the case of confirmed cases or close contacts visited.

The picture below shows disinfection activities at the headquarters and all branches continuously conducted throughout 2021.



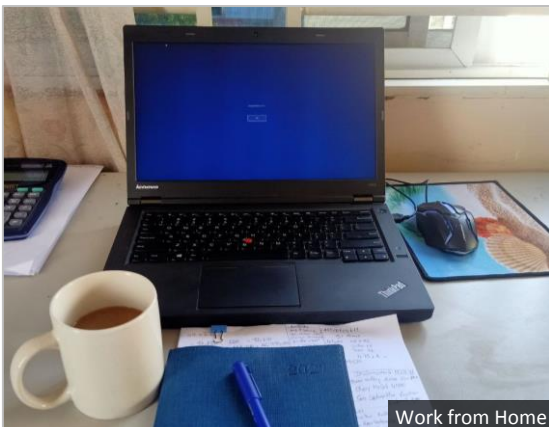


Deliver daily necessities to employees living in the Lock-Down Zone

It is no exaggeration to state that BNKC business began with meeting with and providing loan guidance to the customers. Therefore to ensure safety, the company conduct a Rapid test for all employees every Monday and immediately ask employees who got positive result to practice self-isolation or a self-quarantine under the government guidelines. Employees who living in the middle of a lockdown, working from home due to COVID-19 infected or have close contact with COVID-19, the company has provided generous support using any means that can be provided. In addition, we did our best to prevent COVID-19 through regular quarantine disinfection at all branches, provision of masks and alcohol disinfectants, and provision of Krorber 4.0 devices.



CEO provides necessities for employees living in Lock-Down Zones to be ready for work from home



Work from Home



The company conduct a Rapid test for all employees every Monday

# CORPORATE SOCIAL RESPONSIBILITY

In the amid of the pandemic, the government has done all possible to keep citizens safe by enhancing regulations and even purchasing vaccine from other countries to make vaccines available to everyone. Therefore, the company donates to the Government to help Cambodian people to be safe from COVID-19 through vaccination. Safety First!





# Independent Audit Report

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# Independent Auditor’s Report

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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 2021, 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 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 2021, and its financial performance and its cash flows for the year then ended, in accordance with Cambodian International Financial Reporting Standard for Small and Medium sized-Entities (“CIFRS for SMEs”) and the 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’ International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”) together with the ethical requirements 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, and the annual report which is expected to be made available to us after our report date.

Our opinion on the financial statements does not cover the other information prepared by the Board of Directors and we do not and will not express any form of audit assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, 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.

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 the other matter in accordance with the requirements of CISA 720 (revised).

## 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 CIFRS for SMEs and the guidelines issued by the NBC, and for such internal control as the Board of Directors determines it necessary to enable the preparation of the 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.

*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  
31 March 2022

## Statement of Financial Position

	Note	31 December 2021		31 December 2020	
		USD	KHR'000 (Note 3.1)	USD	KHR'000 (Note 3.1)
<b>Assets</b>					
Cash, net	5	2,988,158	12,173,756	1,142,625	4,621,918
Statutory deposit with the NBC	6	750,000	3,055,500	750,000	3,033,750
Loans to customers, net	7	69,049,473	281,307,553	39,864,151	161,250,491
Other assets	8	1,427,578	5,815,953	167,478	677,449
Property and equipment, net	9	815,504	3,322,363	594,074	2,403,029
Intangible assets, net	10	174,103	709,296	1,538	6,221
Deferred tax asset	18.4	81,725	332,948	-	-
<b>Total assets</b>		<b>75,286,541</b>	<b>306,717,369</b>	<b>42,519,866</b>	<b>171,992,858</b>
<b>Equity and liabilities</b>					
<b>Equity</b>					
Share capital	11	15,000,000	60,270,000	15,000,000	60,270,000
Retained earnings		2,280,876	9,437,005	13,263	212,356
Regulatory reserve	12	190,618	772,476	151,890	614,930
Cumulative translation differences		-	699,387	-	245,758
<b>Total equity</b>		<b>17,471,494</b>	<b>71,178,868</b>	<b>15,165,153</b>	<b>61,343,044</b>
<b>Liabilities</b>					
Borrowings	13	56,692,308	230,964,463	26,845,982	108,591,997
Other payables	14	399,773	1,628,675	194,201	785,543
Income tax payable	18.3	722,966	2,945,363	314,530	1,272,274
<b>Total liabilities</b>		<b>57,815,047</b>	<b>235,538,501</b>	<b>27,354,713</b>	<b>110,649,814</b>
<b>Total equity and liabilities</b>		<b>75,286,541</b>	<b>306,717,369</b>	<b>42,519,866</b>	<b>171,992,858</b>

## Statement of Profit of Loss and other Comprehensive Income

	Note	For the year ended 31 December 2021		For the year ended 31 December 2020	
		USD	KHR'000 (Note 3.1)	USD	KHR'000 (Note 3.1)
Interest income	15	8,898,765	36,200,176	4,766,588	19,438,146
Interest expense	13	(1,371,302)	(5,578,457)	(840,039)	(3,425,679)
Net interest income		7,527,463	30,621,719	3,926,549	16,012,467
Other income	16	453,396	1,844,415	419,675	1,711,435
Operating income		7,980,859	32,466,134	4,346,224	17,723,902
		(4,455,798)	(18,126,186)	(2,874,797)	(11,723,422)
General and administrative expenses	17				
Provision for balances with other banks	5.2	(17,767)	(72,276)	17,554	71,585
Provision for bad and doubtful loans	7	(472,347)	(1,921,508)	(293,546)	(1,197,081)
Profit before income tax		3,034,947	12,346,164	1,195,435	4,874,984
Income tax expense	18.1	(728,606)	(2,963,969)	(362,658)	(1,478,919)
Net profit for the year		2,306,341	9,382,195	832,777	3,396,065
Other comprehensive income -					
Currency translation differences		-	453,629	-	(457,453)
Total comprehensive income for the year		2,306,341	9,835,824	832,777	2,938,612

## Statement of Changes in Equity

	Note	USD	Share capital KHR'000 (Note 3.1)	USD	Retained earnings KHR'000 (Note 3.1)	USD	Regulatory reserves KHR'000 (Note 3.1)	Cumulative translation differences KHR'000 (Note 3.1)	USD	Total equity KHR'000 (Note 3.1)
Balance at 1 January 2021	11	15,000,000	60,270,000	13,263	212,356	151,890	614,930	245,758	15,165,153	61,343,044
Net profit for the year		-	-	2,306,341	9,382,195	-	-	-	2,306,341	9,382,195
Excess of NBC over CIFRS for SMEs loan provision r equiurement	12	-	-	(38,728)	(157,546)	38,728	157,546	453,629	-	453,629
Currency translation differences		-	-	-	-	-	-	-	-	-
<b>Balance as at 31 December 2021</b>	11	<b>15,000,000</b>	<b>60,270,000</b>	<b>2,280,876</b>	<b>9,437,005</b>	<b>190,618</b>	<b>772,476</b>	<b>699,387</b>	<b>17,471,494</b>	<b>71,178,868</b>
Balance at 1 January 2020	11	15,000,000	60,270,000	(815,043)	(3,165,476)	147,419	596,697	703,211	14,332,376	58,404,432
Net profit for the year		-	-	832,777	3,396,065	-	-	-	832,777	3,396,065
Excess of NBC over CIFRS for SMEs loan provision r equiurement	12	-	-	(4,471)	(18,233)	4,471	18,233	-	-	-
Currency translation differences		-	-	-	-	-	-	(457,453)	-	(457,453)
<b>Balance as at 31 December 2020</b>	11	<b>15,000,000</b>	<b>60,270,000</b>	<b>13,263</b>	<b>212,356</b>	<b>151,890</b>	<b>614,930</b>	<b>245,758</b>	<b>15,165,153</b>	<b>61,343,044</b>

## Statement of Cash Flows

	Note	For the year ended 31 December 2021		For the year ended 31 December 2020	
		USD	KHR'000 (Note 3.1)	USD	KHR'000 (Note 3.1)
<b>Operating activities</b>					
Profit before income tax		<b>3,034,947</b>	<b>12,346,164</b>	1,195,435	4,874,984
<b>Adjustments for:</b>					
Depreciation	9	<b>248,469</b>	<b>1,010,772</b>	190,684	777,609
Amortisation	10	<b>13,466</b>	<b>54,780</b>	976	3,980
Provision for bad and doubtful loans	7	<b>472,347</b>	<b>1,921,508</b>	293,546	1,197,081
Provision for balances with other banks	5.2	<b>17,767</b>	<b>72,276</b>	(17,484)	(71,300)
Interest expense		<b>1,371,302</b>	<b>5,578,457</b>	766,578	3,126,105
Interest income	15	<b>(8,898,765)</b>	<b>(36,200,176)</b>	(4,766,588)	(19,438,146)
Loss on disposal of property and equipment	17	<b>725</b>	<b>2,949</b>	360	1,468
<b>Operating loss before changes in working capital</b>		<b>(3,739,742)</b>	<b>(15,213,270)</b>	(2,336,493)	(9,528,219)
Net changes in working capital					
Changes in:					
Loans to customers		<b>(28,796,162)</b>	<b>(117,142,787)</b>	(17,833,397)	(72,724,593)
Other assets		<b>(1,260,100)</b>	<b>(5,126,087)</b>	(70,952)	(289,342)
Other payables		<b>202,072</b>	<b>822,029</b>	76,293	311,123
<b>Cash flows used in operating activities</b>		<b>(33,590,432)</b>	<b>(136,645,877)</b>	(20,164,549)	(82,231,031)
Interest received		<b>8,037,258</b>	<b>32,695,566</b>	4,652,026	18,970,962
Income tax paid	13.2	<b>(401,895)</b>	<b>(1,634,909)</b>	(53,174)	(216,844)
<b>Net cash flows used in operating activities</b>		<b>(25,955,069)</b>	<b>(105,585,220)</b>	(15,565,697)	(63,476,913)
<b>Investing activities</b>					
Acquisitions of property and equipment	9	<b>(470,897)</b>	<b>(1,915,609)</b>	(256,004)	(1,043,984)
Acquisitions of intangible assets	10	<b>(186,031)</b>	<b>(756,774)</b>	-	-
Proceeds from disposal of property and equipment		<b>273</b>	<b>1,111</b>	120	489
<b>Net cash flows used in investing activities</b>		<b>(656,655)</b>	<b>(2,671,272)</b>	(255,884)	(1,043,495)
<b>Financing activities</b>					
Proceeds from borrowings	13	<b>42,846,326</b>	<b>174,298,854</b>	14,906,602	60,789,123
Repayment of borrowings		<b>(13,000,000)</b>	<b>(52,884,000)</b>	-	-
Interest payments on borrowings		<b>(1,371,302)</b>	<b>(5,578,457)</b>	(766,578)	(3,126,105)
<b>Net cash flows from financing activities</b>		<b>28,475,024</b>	<b>115,836,397</b>	14,140,024	57,663,018
Net change in cash		<b>1,863,300</b>	<b>7,579,905</b>	(1,681,557)	(6,857,390)
Cash, beginning of year	5.1	<b>1,153,015</b>	<b>4,663,947</b>	2,834,572	11,550,881
Currency translation difference		-	<b>44,615</b>	-	(29,544)
<b>Cash, end of year</b>	5.1	<b>3,016,315</b>	<b>12,288,467</b>	1,153,015	4,663,947







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🏢 BNKC Cambodia MFI Plc.