ANNUAL REPORT 2024



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Greeting from MOON Sungjin, CEO of BNKC Microfinance Institution (Cambodia) Plc.

The year 2024 has been a challenging one, as the global economy continues to face uncertainties, and the financial sector, along with the broader community, has encountered significant difficulties. Despite these challenges, Cambodia has demonstrated resilience, with key sectors such as garment manufacturing, tourism, and agriculture driving economic growth of 5.4%.

On behalf of BNKC, I would like to express our deepest gratitude to our customers for their unwavering support and trust. Even in these trying times, we remain steadfast in our commitment to fulfilling our vision and mission: to provide financial services that enhance social well-being and contribute to sustainable development.

In 2024, we have shifted our focus to a sustainable growth strategy, prioritizing credit quality and offering highly responsible credit services to our customers. To enhance the customer experience, we have launched a mobile application and continue to develop a diverse range of modern and innovative credit products. We are confident that our ongoing investment in digital transformation will provide greater value and convenience to our customers, enabling them to access financial services more efficiently.

BNKC remains fully committed to adhering to the regulations, principles, and code of ethics set forth by the National Bank of Cambodia. We prioritize integrity, accountability, and ethical management in all aspects of our operations.

Looking ahead, BNKC remains committed to our mission of delivering responsible, high-quality, and transparent financial services. We will continue to strive for the betterment of social life and shared prosperity, staying true to our slogan: "BNKC is your best business partner."

Thank you,

Sincerely,

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MOON Sungjin

Company Overview

Executive Summary

BNKC (Cambodia) Plc., formerly KBSC (Cambodia) Plc., is a Cambodian limited liability corporation established March 7, 2014, and licensed by the National Bank of Cambodia on May 7, 2015. A wholly-owned subsidiary of BNK Capital Co., Ltd. (Busan, Republic of Korea), BNKC commenced operations with US\$20 million in capital. We are committed to providing responsible and transparent financial services to the Cambodian people, contributing to economic development through financial coordination and social initiatives. BNKC also fosters a supportive work environment, providing opportunities for professional growth and contributing to the nation's skilled workforce.





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



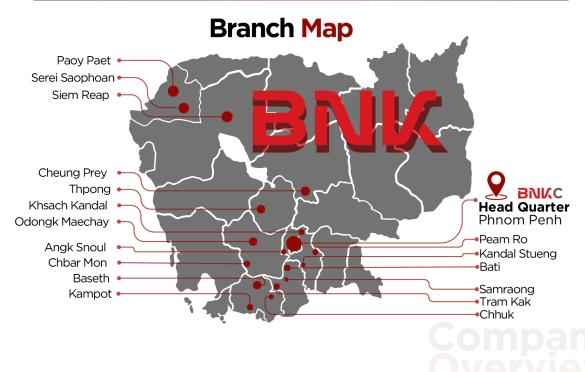
BNKC is driven by a mission to elevate the living standards of the people in Cambodia while strengthening the values of our esteemed customers, dedicated employees, valued shareholders, and society as a whole.



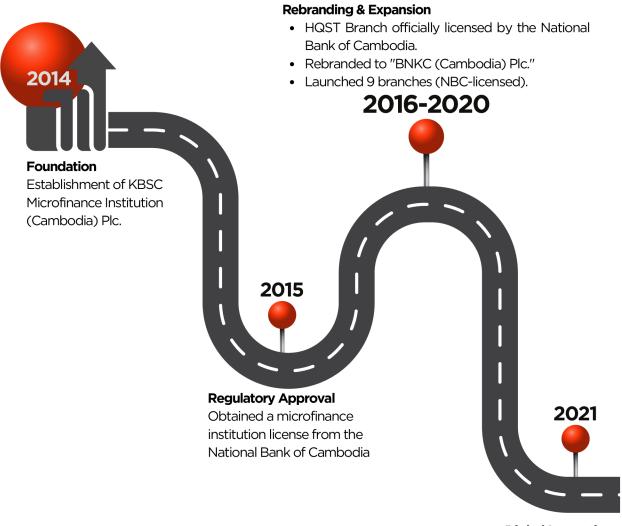
Key Figures

General Information





BNKC's Milestones



Digital Innovation

- Introduced the "BNKC MFI" Mobile Application.
- Expanded to Cheung Prey District, Krong Kampot,
 Krong Paoy Paet, and Krong Serei Saophoan

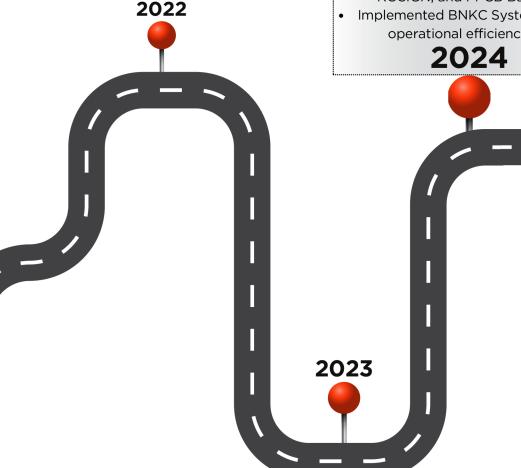
Company Overview

Customer & Capital Milestones

- Served 10,000+ Customers.
- Increased total capital to \$20M.
- Opened branches in Thpong, Bati, Peam Ro, Samrong, and Svay Antor Districts

Strengthen & Strategic Collaboration

- Celebrated BNKC MFI's 10th Anniversary.
- Signed MOCs with ECOWAVE, KOSIGN, and PPCB Bank.
- Implemented BNKC System for operational efficiency.



Compliance & Strategic Shifts

- Earned Fiscal Compliance Category: Gold.
- Established Risk Management Department.
- Hosted BNK Financial Group CEO Visit.

Management & Governance

Shareholder

BNK Capital As a subsidiary of BNK Financial Group (parent to

Busan Bank and Kyung Nam Bank), BNK Capital delivers comprehensive financial solutions, including vehicle/personal loans, corporate financing, and collateral-based lending. Established in 2010, it rapidly evolved into a Blue-Chip venture capital firm, amassing \display3 trillion in assets within four years and expanding across Southeast and Central Asia via six specialized subsidiaries.



Driven customer-centric by innovation, BNK Capital balances a robust credit portfolio with digital agility, leveraging expertise to thrive in dynamic markets. Committed to social welfare and employee empowerment, aligns with BNK Financial Group's vision to dominate as a global financial leader, blending localized strategies with international scalability.

Share Percentage



Management & Governance





Top Management

Mr. Moon Sungjin became the Chief Executive Officer of BNKC (Cambodia) Plc. Prior to this role, he joined BNK Capital in May 2012 and held various positions, including Credit Assessment Team Leader, Anti-Fraud Team Leader, and Managing Director at BNKC Microfinance Institution (Cambodia) Plc from January 2016 to January 2018. He later served as the head of the customer protection team before being promoted and returning to Cambodia.



Mr. MOON SUNGJIN Chief Executive Officer



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

Mr. JANG HYUNSEOK Director

Head of Departments



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

Ms. POUV SALEM
Head of Planning Department

Mr. **UN Rattanak** holds the position of Head of Human Resources and Administration Department. He began working at the institution in June 2016. Prior to his career at BNKC, he served as the Head of Administration and Finance and as an assistant to the project manager at a construction company for three years.

Mr. UN Rattanak earned a Master's degree in Business Management from Build Bright University in March 2015. In 2012, he simultaneously completed two Bachelor's degrees: one in Intercultural Studies and the other in English Literature from Kosin University in Busan, Republic of Korea. Additionally, he has attended professional technical training courses on topics including human resource management, value-added tax declaration using the reverse charge method, electronic tax services, project management, effective performance management, principles and benefits of the National Social Security Fund (NSSF) for pensions, payroll management, Cambodian tax calculations, employee benefits in the banking and finance sector, recruitment and retention strategies, HR management in the financial sector, frontline management, labor law compliance, drafting HR policies and guidelines, employee performance management, leadership, administrative management, and office management, among others.



Head of HR and Admin Department

Head of Departments



Mr. **Pheng Pheak** began working at the institution in August 2019 as the Head of the Finance Department. He has over 18 years of experience in the microfinance sector. Before joining BNKC, he worked at a deposit-taking microfinance institution and an international company in various roles, including internal auditor, senior accountant, senior management accountant, head of financial oversight, head of business analysis, head of budget planning, and Head of Finance and Administration. He also has experience in core banking system transitions, improving operational systems, and teaching accounting and auditing at a university for six years.

Mr. Pheng Pheak began working at the institution in August 2019 as the Head of the Finance Department. He has over 18 years of experience in the microfinance sector. Before joining BNKC, he worked at a deposit-taking microfinance institution and an international company in various roles, including internal auditor, senior accountant, senior management accountant, head of financial oversight, head of business analysis, head of budget planning, and Head of Finance and Administration. He also has experience in core banking system transitions, improving operational systems, and teaching accounting and auditing at a university for six years.

Mr. PHENG PHEAKHead of Finance Department



Head of Credit Department

Mr. **Sin Sokneang** is the Head of Credit Department at BNKC, having joined in December 2022. He brings over 15 years of experience in the microfinance sector, holding positions such as Credit Officer, Senior Credit Officer, and Provincial Manager at a leading MFI in Cambodia. He earned a Master's in Finance from the National University of Management in 2012 and a Bachelor's in Agriculture from Maharishi Vedic University in 2004. Mr. Sokneang has also completed various short-term courses in leadership, training, delinquency management, and public speaking.



Mr. **Peou Chanmithona** joined BNKC in June 2020 and became Head of Credit Assessment Department in January 2021. With over 10 years in the financial industry, he has held roles such as Lending Support Supervisor and Chief Credit Officer at leading banks in Cambodia. He earned a Master's in Business Management from the National University of Management in 2015, a Bachelor's in Banking and Finance in 2009, and an Associate's Degree in Banking from the Center for Banking Studies in 2006.

Mr. PEOU CHANMITHONAHead of Credit Assessment Department

Mr. Heap Chamraoen joined BNKC in July 2023 as the Head of Loan Recovery Department. He has over 10 years of experience in microfinance, having held positions such as Credit Officer, Senior Loan Recovery Officer, and Branch Manager at a microfinance institution in Cambodia. He holds a Bachelor's Degree in Accounting from Chea Sim Kamchay Mear University. Additionally, he has completed training in leadership development, credit management, and public speaking.



Head of Loan Recovery Department

Head of Departments



Mr. **An Sokkhak** joined BNKC in April 2015. Prior to joining, he served as a Database Manager at a microfinance institution for two years and as a software developer at a company for two years. He also worked as an IT coordinator at an international school for one year and taught computer programming. He earned a Bachelor's degree in Computer Engineering and Technology from the Royal University of Phnom Penh in 2009. He has participated in numerous technical training courses in areas such as C-Programming, C++, Java, C#, VB.net, PHP, MySQL, SQL Server, Database Management Systems, and IT.

Mr. Roeun Rithea joined BNKC in May 2019. He started his career as an internal auditor in the banking and finance sector, with over 13 years of experience. Before joining the institution, he served as an internal auditor at a microfinance institution for 4 years and as a senior internal auditor at a deposit-taking microfinance institution for 5 years. He earned a Bachelor's degree in Accounting from Norton University in 2009 and is currently pursuing a Master's degree in Private Law at Puthisastra University. To enhance his auditing expertise, he has attended several short courses on topics such as internal auditing, fraud risk prevention, Cambodian tax law, internal audit management, contract and loan agreement laws in financial operations, and the fundamentals of internal auditing. He also obtained an advanced auditing certificate recognized by the IFC from the Institute of Banking and Finance.



Head of Internal Audit Department

MANAGEMENT AND GOVERNANCE

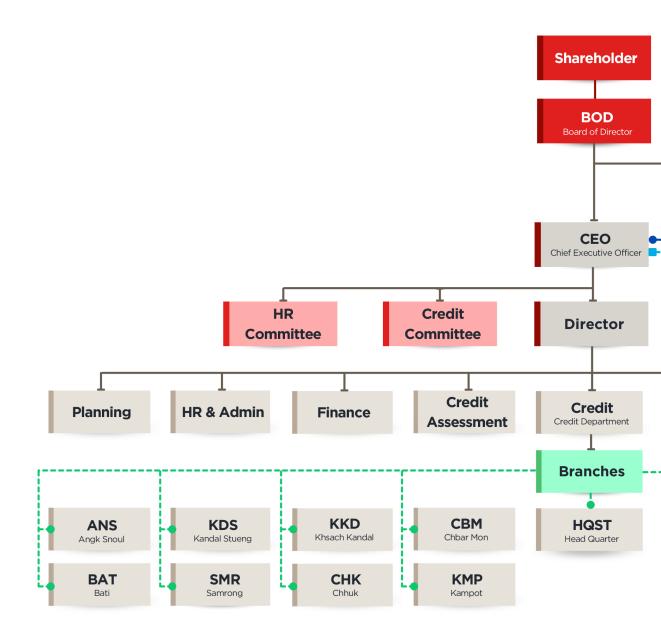


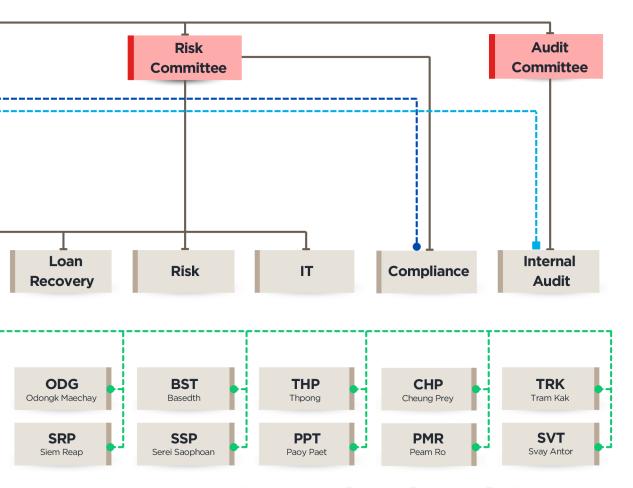
Ms. Sie Naileng holds the position of Head of the Compliance Department. She began working at the institution in January 2019. Prior to her career at the institution, she worked as a legal assistant and compliance officer at a microfinance institution, and also served as a legal consultant and researcher. She is officially recognized by the National Bank of Cambodia and the Cambodia Financial Intelligence Unit as a compliance officer. Ms. Sia Nailing earned a Bachelor's degree in Law from the Royal University of Law and Economics in 2017, a Master's degree in Private Law from Puthisastra University in 2025, and a General English degree from the Cambodia University of Intellect. Additionally, she has completed professional training courses in Regulatory Compliance and Anti-Money Laundering at the Institute of Banking and Finance and the Cambodia Microfinance Association. among others.

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



Organizational Structure





Organizational Structure

Our Operations

Loan Products





BNKC MFI Plc. is Your Best Business Partner!



The Car Loan is designed for customers who intend to purchase a vehicle (car/truck) for use in both business and family needs. The loan amount offered is up to USD 30,000 or its equivalent in Khmer Riel, with a term of up to 72 months





BUSINESS LOAN

The Business Loan is designed for customers who need capital to establish or expand a new business in order to generate greater profits. The loan amount offered is based on the customer's needs and has a loan term of up to 72 months

PERSONAL LOAN

The Personal Use Loan is offered to customers who are able to purchase household items or for their own personal use. The loan amount offered is up to USD 15,000 or its equivalent in Khmer Riel, with a term of up to 60 months.







Home Loan is offered to customer who demands capital to buy land, building house, and acquiring his / her dream house or condo / apartment. Loan size and term of the product is very flexible depending on negotiation and situation.

HOME IMPROVEMENT LOAN

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







AGRICULTURE LOAN

The Agriculture Loan is offered to customers who intend to conduct or expand agricultural activities to generate income from agriculture, such as animal husbandry, vegetable cultivation, fishing, etc. The loan amount offered is up to USD 30,000 or its equivalent in Khmer Riel, with a term of up to 72 months.



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



Business Performance

Cambodia's Economic Landscape

Cambodia's economy demonstrates steady growth and resilience amid global uncertainties, driven by export-oriented industries, strategic investments, and gradual diversification. Below is a detailed analysis of key economic indicators and trends projected for 2024, based on data from the World Bank, ADB, National Bank of Cambodia (NBC), and Ministry of Economy and Finance (MEF).

Indicator (USD Billion)	2022	2023	2024	(Projected)
GDP (USD Billion)	38.3	42.34	44.7	
GDP Growth Rate	5.2%	5.4%	5.8%	
Export (USD Billion)	22.4	23.1	24.5	
Garments	9.5	9.8	10.3	
Footwear	1.8	1.9	2.0	
Travel Goods	2.2	2.3	2.4	
Agricultural Products	4.5	4.7	5.0	
Others	4.4	4.4	4.8	
Import (USD Billion)	25.3	26.0	27.5	
Machinery	6.2	6.5	6.9	
Vehicles	1.5	1.6	1.7	
Petroleum Products	3.8	4.0	4.2	
Consumer Goods	5.0	5.2	5.5	
Others	8.8	8.7	9.2	
Investment (USD Billion)	5.0	5.5	6.0	
Garment Manufacturing	1.2	1.3	1.4	
Tourism	0.8	0.9	1.1	
Infrastructure	2.0	2.1	2.3	
Agriculture	0.8	0.9	1.0	
Others	0.2	0.3	0.2	

Source: World Bank, ADB, NBC, MEF

Business Performance

Client Outreach



Over the past three years, BNKC has strategically recalibrated its loan portfolio to balance risk management with growth opportunities. Despite a 12.7% contraction in total loan outstanding (2022: $\$80.46M \rightarrow 2024$: \$70.24M), the institution strengthened its focus on secured lending and niche markets, ensuring long-term stability amid evolving economic conditions. Key achievements include robust growth in home improvement lending, disciplined risk reduction in unsecured products, and targeted support for Cambodia's agricultural sector.

Product Base	2022	2023	2024 (USD)
Total Loan Outstanding	80,456,657	75,193,381	70,239,621
Business Loan	33,540,864	29,874,428	26,745,519
Personal Loan	9,845,676	6,588,748	5,614,342
Car Loan	2,136,551	1,967,825	1,912,708
Home Improvement Loan	17,191,808	20,057,833	19,671,940
Home Loan	16,025,173	15,583,775	15,249,483
Agriculture Loan	640,610	656,634	651,253
Unsecure Loan	710,126	122,991	140,158
Other Loan	365,849	341,147	254,217

Digital Transformation

"BNKC MFI" Mobile App

In June 2021, BNKC(Cambodia) Microfinance Plc. introduced its mobile app, aimed at simplifying financial services for its customers, many of whom reside in underserved or rural areas. The app allowed users to access a variety of services directly from their smartphones, such as checking account loan balances, making loan repayments, applying for loans, and tracking their financial activities. This move was particularly significant as it reduced the need for physical visits to branches, which is often a barrier for customers in remote areas.



BNKC is also enhancing its digital services with **QR code payments for loan repayments,** enabling customers to make instant, cashless transactions directly via their mobile app, eliminating cash handling and intermediaries while boosting efficiency, reducing costs, and ensuring encrypted security. This innovation promotes financial inclusion, particularly in rural areas, by providing underserved individuals and businesses with accessible, secure tools to manage loans. As part of its ongoing digital transformation, BNKC plans to introduce Al-powered financial advising, reinforcing its commitment to empowering customers with user-friendly, innovative solutions that simplify financial management and secure long-term economic autonomy.



Customer "A" Business Loan



My name is Chea Channy, and I am the owner of a general store in Kampong Speu Province. Before learning about BNKC Microfinance Institution, I struggled to expand my business due to a lack of investment capital. As a small family business, I couldn't secure a loan from a traditional bank. However, after discovering BNKC Microfinance Institution, I obtained a loan and received business guidance and training. This loan allowed me to purchase more goods to stock my store.

Now, my store's sales have increased by over 50%. Thanks to this growth, I can provide a better life for my family and create jobs in the community. As sales continue to grow, I plan to apply for another loan from BNKC to expand even further in the future.

I would like to express my gratitude to BNKC Microfinance Institution. To fellow entrepreneurs in need of financial support, I recommend using BNKC's microfinance services! BNKC has transformed my life, and they can help you too.

Customer "B" Home Loan

My name is Til Buny, and I am a customer of BNKC Microfinance Institution in Chbar Mon City, Kampong Speu Province. Before I knew about BNKC Microfinance Institution, I faced difficulties in obtaining loans due to my limited financial capacity. However, now both my wife and I have jobs. When I learned about BNKC Microfinance Institution, I took out a loan, which helped me build a house and make additional improvements.

Through this progress, I can now provide a better quality of life for my family and live in a decent home. When I have additional needs, I plan to apply for another loan from BNKC to meet those needs. I would like to express my gratitude to BNKC Microfinance Institution. For those who need financial assistance, you can use the microfinance services at BNKC! BNKC has changed my life, and it will help you too.

Risk Management

Anti-Money Laundering & Combating Terrorist Financing

The anti-money laundering (AML) and counter-financing of terrorism (CFT) framework of the microfinance institution BNKC, established by the Compliance Department, clearly demonstrates a commitment to preventing money laundering and the financing of terrorism. The initial step in implementing enhanced customer due diligence is Know Your Customer (KYC), which forms the foundation of BNKC's AML/CFT framework for verifying customer identities and assessing associated risk levels.





Money laundering (AML) and the financing of terrorism (CFT) are international issues that impact economies and social security. To combat these acts, many countries in the region have implemented clear enforcement measures to prevent and deter them. Money laundering is the process by which criminals attempt to convert money obtained from illegal activities into legitimate funds.

Meanwhile, the financing of terrorism involves providing resources or money to support terrorist activities, even if the funds do not originate from illegal sources. Implementing measures against these acts is crucial for protecting the financial system from being used for illicit purposes. It helps maintain the integrity of the economy, adheres to international procedures, and increases trust from foreign investors. In Cambodia, the primary institutions responsible for this sector include the National Bank of Cambodia and the Financial Intelligence Unit of Cambodia, which collaborate with national and international bodies to strengthen the AML/CFT system.

Internal Compliance Training



To ensure staff receive adequate training, the institution organizes comprehensive quarterly staff training sessions. This guarantees that all employees are updated on regulatory requirements and internal procedures through various methods such as inperson training or accessible video resources. A crucial training focus is on "Anti-Money Laundering and Counter-Terrorist Financing in the Banking Institution Sector." This aims to promote understanding and vigilance to prevent money laundering within banking institutions. This training emphasizes the dangers of money laundering (AML) and terrorist financing (CFT) activities, along with counter-measures that include the "Know Your Customer" (KYC) procedure and understanding various customer transactions.

The meaning of money laundering is the process of making illegal income appear to have a legitimate source through steps such as Placement, Layering, and Integration. Meanwhile, terrorist financing is the provision of resources or assets to entities or individuals involved in terrorist activities. This training course also highlights the institution's role in observing unusual activities and reporting them to the competent authorities.

Training on customer complaint handling is also a key aspect of building staff capacity and skills in providing effective customer service. It can enhance service quality and strengthen customer trust. Customer complaint handling is a vital process for maintaining and improving relationships with customers.

Internal Audit

Audit Committee

The Audit Committee at BNKC serves a critical function in ensuring the financial integrity and regulatory compliance of the institution. Its primary purpose is to establish a robust framework for financial reporting, oversee both internal and external audit processes, evaluate the effectiveness of BNKC's internal control systems, and monitor adherence to all relevant laws and regulations. Furthermore, the Committee provides oversight to the Internal Audit function, ensuring its independence and effectiveness.



Composition of Audit Committee

Independent Board	Chairperson
Director of the Board	Member
Director	Member
Head of Audit Department	Participant

The activities of BNKC's Audit Committee are geared towards achieving tangible improvements in governance and risk management. This includes a careful review of internal audit reports, leading to recommendations for addressing identified weaknesses. The Committee also approves the internal audit plan, ensuring it strategically targets key risk areas. Furthermore, it evaluates the performance of the Head of the Internal Audit Department, assesses the effectiveness of BNKC's internal control system, reviews applicable accounting standards and internal policies, and actively monitors the institution's compliance with various regulations. The Committee remains adaptable, undertaking other necessary tasks to safeguard the institution's interests.

Risk Management Committee

The Risk Management Committee, headed by an independent member of the Board of Directors, bears the responsibility for the approval of risk management strategies and the oversight of compliance therewith. In discharging its duties, the Committee shall duly consider the institution's long-term financial interests, its inherent risk exposure, and its demonstrable capacity for effective risk management.

Risk Management in BNKC



- Credit Risk
- Operational Risk
- Market Risk
- Liquidity Risk
- Fraud Risk
- Compliance Risk

Composition of Risk Committee

Independent Board	Chairperson
Chief of Executive	Member
Director	Member
Head of Loan Recovery Department	Member
Head of Risk Management Department	Member
Compliance Department, Relevant Department	Participant

Key Achievements in 2024

The Risk Management Department played a pivotal role in supporting BNKC's strategic objectives and operational efficiency throughout 2024. A key focus was on proactively adapting to market dynamics and enhancing service offerings through diligent risk assessment and informed decision-making.

- Interest Rates and Credit Fees Revision
- Credit Execution Procedures Revision
- Credit Committee Policies Revision
- New Product Development (Aco Wave Water Purifier Loan)
- New Payment Service Implementation (KHQR via WeBill365)

Human Resources Development & Management

Internal Training



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

Internal Training Session 2024:

Departments Involved

Guidance on Sharing Personal Information with CMA	HR and Admin Department
Human Resources Management and Sales Operations	Credit Department
Credit Products and Sales Skills	Credit Department
Compliance Training	Compliance Department
BNKC Core Banking System	IT Department

External Training

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



g Institution	Internal Training Session 2024: Training
СМА	Practical Data Analysis and Dashboard Report with Microsoft Excel
NBC	Responsible Lending
СМА	Foreign Exchange Risk Management for Banks and financial Institution
СМА	Power BI for Data Analystics Foundation and Intermediate Level
CAMFEBA	The Employment Contracts Implementation Adapting with the business Practices
CAMFEBA	Understanding Cambodain Labour Law
CMA	KPI Setting and Implementation in Employee Performance Management
CMA	Employee Retention and Recruitment Strategy
IBF	Cybersecurity for Internal Auditors
ires CMA	Responsible Solving Loan Late with Customer and Coordinating in Court Procedure
CMA	Effective Secretary and Protocal Management for Private Sector

Certification in Responsible Lending

This certificate focuses on ethical principles and borrower protection, which are key to financing in the Cambodian banking sector. The course will equip staff involved in lending activities with the necessary knowledge and practices to build trust with our customers by addressing customer protection and avoiding debt spirals.

As a result, 127 staff members involved in lending activities enrolled in this training course, completed it, and received certification in 2024.

In support of strengthening the capacity of credit officers, which is supported and recognized by the National Bank of



Cambodia, as well as in line with the national strategy related to financial inclusion in Cambodia, BNKC has actively participated in the training course on responsible lending certification, facilitated by the Institute of Banking and Finance. BNKC also plans to continue sending credit officers to enroll in training in the coming years.

Talent Acquisition and Development

Build Future Talent

BNKC Institution is proud to organize its annual internship program, which complies with the Ministry's requirements and helps promote talent development for the future of Cambodia. This initiative demonstrates our commitment to supporting talented youth and contributing to the nation's progress.



This year, we welcomed nine talented interns from universities across Cambodia, placing each in departments matching their skills for a meaningful three-month experience. This hands-on program allows them to develop professionally and contribute to our institution.

Upon completion, interns receive a certificate recognizing their achievements, supporting their future careers. BNKC is committed to continuing this annual program to empower youth and build a brighter future for Cambodia.

Outstanding Employee and Branch Award

There are two types of recognition, based on individual and branch efforts, loyalty, and achievements. An outstanding employee from each department is selected based on their individual work results that exceed expectations and positively impact BNKC Institution. The reward for these employees is a trip to South Korea to participate in the "2024 BNK Global Week" program organized by the parent company in Korea.

[2024 BNK Global Week] 11th - 15th, Nov, 2024



Branch awards are selected based on criteria and KPIs set at the beginning of the year, and the winning branch will receive a gift and a certificate.



Society and Governance

Corporate Social Responsibility

Every year, BNKC actively engages in initiatives that bring real benefits to the community. Our "Happy Sharing" program spreads joy and support to those in need. We also hold regular blood donation drives, contributing to vital healthcare resources. To nurture future talent, our apprenticeship program provides valuable hands-on experience for university students. Furthermore, BNKC proudly participates in national events, actively promoting and preserving our rich national culture. We're committed to making a positive impact year after year!



Looking back at our contributions this year, BNKC's efforts have made a tangible difference across several fronts. Through "Happy Sharing," we've been able to provide essential resources and support to numerous families and individuals. Our blood donation drives have consistently exceeded targets, significantly bolstering local blood banks and helping save lives. The apprenticeship program has successfully equipped another group of talented students with practical skills and industry insights, setting them on a path for future success. Furthermore, our active participation in national cultural events has helped to amplify the beauty and significance of our heritage, fostering a greater sense of national pride and unity. We're incredibly proud of the positive impact we've collectively achieved this year.

SOCIETY AND GOVERNANCE 29

Happy Sharing 2024

BNKC (Cambodia) MFI Plc. annually initiates the "Happy Sharing" program, exemplifying our commitment to fostering community well-being through love, support, and compassion for our neighbors.





On Friday, September 13, 2024, our institution visited Mak Prang Primary School in Kampot province to distribute school supplies, sports equipment, clothing, toys (including swings), and financial stipends to both students and teachers.

While these gifts may seem modest, the management team and staff of our institution believe that they will positively impact the students' needs and serve as a source of motivation for their academic pursuits. We remain dedicated to organizing similar social sharing endeavors in the community in the coming years, especially for students facing adversities.



SOCIETY AND GOVERNANCE

Blood Donation

Every year, BNKC proudly contributes to and actively participates in vital blood donation initiatives. This impactful program stands as a cornerstone of our social responsibility efforts, bringing together individuals from various companies and organizations with a shared purpose: to make a tangible difference in our community and, most importantly, to save lives. By joining forces, we amplify our collective impact, ensuring a more robust and readily available blood supply for those facing medical emergencies and ongoing treatments. Your participation in this annual event is a powerful way to directly contribute to the well-being of our community.



31

DAVI.

[Employee Testimonial]

To be honest, I was a little nervous before donating because I'm actually afraid of needles. However, when I thought about the possibility of saving someone's life, that idea overcame my fear. Some people think that drawing blood is painful, like I initially did, but in reality, it feels like an ant bite when they first insert the needle, and then it's normal. So, brothers and sisters who are afraid don't need to worry; the blood drawing process is professional and safe. Overall, the slight discomfort is incomparable to the good we do for society.

Collective Life-Saving Campaign



SOCIETY AND GOVERNANCE

Certificate of Tax Compliance





This Certificate of Compliance is a testament to the hard work and dedication of our staff in meeting the expectations of all stakeholders, as well as our entire institution.

It also demonstrates that the business has adhered to the filing deadlines for quarterly and annual taxes and has paid all taxes in full, correctly, and on time. It is also a sign that the company maintains a strong and consistent stance and cooperation with the General Department of Taxation and all stakeholders.

We extend our gratitude to our staff, customers, and other stakeholders for their commitment and support as we continue to drive our business towards greater excellence and growth. Receiving this Tax Compliance Certificate puts us in a strong position to continue fostering growth and profitability in the future.

The Institution is truly proud to be recognized for our commitment to transparency and compliance. Congratulations to the Institution and all staff!

Financial Statements

as at 31 December 2024 and for the year then ended



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Independent Auditor's Report

To: The Shareholder of BNKC (Cambodia) Microfinance Institution Plc.

Opinion

We have audited the financial statements of BNKC (Cambodia) Microfinance Institution Plc.("the Company"), which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with Cambodian International Financial Reporting Standard for Small and Medium-sized Entities ("CIFRS for SMEs").

Basis for Opinion

We conducted our audit in accordance with Cambodian International Standards on Auditing ("CISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants and Auditors issued by the Ministry of Economy and Finance of Cambodia, together with the ethical requirements that are relevant to our audit of the financial statements in Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information obtained at the date of the auditor's report comprises the Report of the Board of Directors as set out in pages 1 to 4. Management is responsible for the other information.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Continued

Independent Auditor's Report

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with CIFRS for SMEs and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

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.

Continued

Independent Auditor's Report

Auditor's Responsibilities for the Audit of the Financial Statements

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Hong Khav

Partner

Ernst & Young (Cambodia) Ltd.

Certified Public Accountants Registered Auditors

Phnom Penh, Kingdom of Cambodia 24 April 2025

Statement of Financial Position

as at 31 December 2024

	Notes	20	24	20	023
		US\$	KHR'000	US\$	KHR'000
			(Note 2)		(Note 2)
ASSETS					
Cash and balances with other					
financial institutions - net	4	2,544,577	10,241,922	8,351,006	34,113,860
Statutory deposit	5	1,000,000	4,025,000	1,000,000	4,085,000
Loans and advances to custom	er 6	66,810,364	268,911,715	70,920,444	289,710,014
Other assets	7	455,823	1,834,689	247,595	1,011,426
Property and equipment	8	1,059,107	4,262,906	1,452,676	5,934,181
Intangible assets	9	68,480	275,632	1,369,006	5,592,390
Deferred tax assets	10.3	1,481,269	5,962,108	1,074,222	4,388,197
TOTAL ASSETS		73,419,620	295,513,972	84,414,949	344,835,068
LIABILITIES AND SHAREHOLDER'S EQUITY					
LIABILITIES					
Income tax payable	10.2	-	-	-	-
Borrowings	11	52,240,430	210,267,731	62,002,732	253,281,160
Other liabilities	12	473,942	1,907,618	447,986	1,830,024
Total liabilities		52,714,372	212,175,349	62,450,718	255,111,184
SHAREHOLDER'S EQUITY					
Share capital	13	20,000,000	80,000,000	20,000,000	80,000,000
(Accumulated losses)/ Retained ea		(4,893,102)	(19,606,510)	1,964,231	8,052,170
Regulatory reserve	14	5,598,350	22,533,359	.,55 1,251	-
Cumulative exchange		-	411,774	_	1,671,714
differences on translation Total shareholder's equity		20,705,248	83,338,623	21,964,231	89,723,884
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		73,419,620	295,513,972	84,414,949	344,835,068
SHAKEHULDEK'S EQUITY					

Statement of Comprehensive Income

for the year ended 31 December 2024

	Note	20	24	2	023
		US\$	KHR'000	US\$	KHR'000
			(Note 2)		(Note 2)
				(As reclas	sified - Note 22)
Operating income					
Interest income	15	11,610,513	47,266,398	13,370,109	54,951,148
Interest expense	16	(3,955,562)	(16,103,093)	(4,417,527)	(18,156,036)
Net interest income		7,654,951	31,163,305	8,952,582	36,795,112
Fee and commission expense	17	(201,894)	(821,910)	(216,018)	(887,834)
Other operating income	18	490,193	1,995,576	911,978	3,748,229
Total operating income		7,943,250	32,336,971	9,648,542	39,655,507
General and administrative expenses	19	(6,614,275)	(26,926,714)	(6,180,876)	(25,403,400)
Reversal of (provision for) impairment losses on balances with other financial institutions	4	51,130	208,150	(44,219)	(181,740)
Impairment losses on loans and advances to customers	6	(3,046,135)	(12,400,816)	(7,651,200)	(31,446,432)
Loss before income tax		(1,666,030)	(6,782,409)	(4,227,753)	(17,376,065)
Income tax benefit	10	407,047	1,657,088	570,045	2,342,885
Net loss for the year		(1,258,983)	(5,125,321)	(3,657,708)	(15,033,180)
Other comprehensive income:					
Exchange difference on translat	ion 6	-	(1,259,940)	-	(728,459)
Total comprehensive loss		(1,258,983)	(6,385,261)	(3,657,708)	(15,761,639)

Statement of Changes in Equity

for the year ended 31 December 2024

for the year ended 31 December 2024	nber 2024						Cumulative exchange		
	Share capital	capital			Regulatory reserve (Note 14)	reserve 14)	difference on translation	Total	ia
	\$SN	KHR'000	\$SN	KHR'000	\$SN	KHR'000	KHR'000	\$SN	KHR'000
As at 1 January 2024	20.000.000	(Note 2) 80.000.000	1,964,231	8,052,170			1,671,714	21,964,231	89,723,884
Net loss for the year		1	(1,258,983)	(5,125,321)			1	(1,258,983)	(5,125,321)
Exchange difference	•	•	1	1	•	•	(1,259,940)	'	(1,259,940)
on translation Total comprehensive loss	,	•	(1,258,983)	(5,125,321)			(1,259,940)	(1,258,983)	(6,385,261)
Transfer accumulated losses to	•	,	(5,598,350)	(22,533,359)	5,598,350	22,533,359	1	'	'
regulatory reserve As at 31 December 2024	20.000.000	80.000.000	(4,893,102)	(19,606,510)	5,598,350	22,533,359	411,774	20,705,248	83,338,623
As at 1 January 2023	20.000.000	80.000.000	5,405,812	22,208,619	216,127	876,731	2,400,173	25,621,939	105,485,523
Net loss for the year Exchange difference		1 1	(3,657,708)	(15,033,180)			- (728,459)	(3,657,708)	(15,033,180) (728,459)
Total comprehensive loss	,	•	(3,657,708)	(15,033,180)		•	(728,459)	(3,657,708)	(15,761,639)
Transfer from regulatory reserve to retained earnings		•	216,127	876,731	(216,127)	(876,731)	'	'	'
As at 31 December 2023	20.000.000	80.000.000	1,964,231	8,052,170			1,671,714	21,964,231	89,723,884

Statement of Cash Flows

for the year ended 31 December 2024

Note	es 2	2024		2023
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
OPERATING ACTIVITIES				
Loss before income tax	(1,666,030)	(6,782,409)	(4,227,753)	(17,376,065)
Adjustments for:				
Depreciation and amortization 8.9	657,214	2,675,518	640,265	2,631,489
Provision for impairment losses	2,995,005	12,192,666	7,695,419	31,628,172
Loss on disposal of property and equipme	nt 66	269	960	3,946
Loss on write off and impairment of intangible asset	1,131,579	4,606,658	3,764	15,470
Movements in operating assets and liabilities	:			
Loans and advances to customers	1,063,945	4,331,320	380,133	1,562,347
Other assets	(71,918)	(292,778)	(69,423)	(285,329)
Other liabilities	(78,064)	(317,799)	58,573	240,735
Cash generated from operations	4,031,797	16,413,445	4,481,938	18,420,765
Income tax paid 10.2	(117,070)	(476,592)	(913,768)	(3,755,586)
Net cash generated from operating activities	as 3,914,727	15,936,853	3,568,170	14,665,179
INVESTING ACTIVITIES				
Acquisition of property and equipment 8	(89,149)	(362,926)	(584,216)	(2,401,128)
Acquisition of intangible assets 9	(6,496)	(26,445)	(6,737)	(27,689)
Proceed from disposal of intangible asset and property and equipment	885	3,603	60,000	246,600
Net cash used in investing activities	(94,760)	(385,768)	(530,953)	(2,182,217)
FINANCING ACTIVITIES				
Placement in term deposits	1,640,147	6,677,038	(1,640,147	(6,741,004)
Proceeds from borrowings 11	28,000,000	113,988,000	20,000,000	82,200,000
Repayments of borrowings 11	(37,654,320)	(153,290,737)	(24,948,330)	(102,537,636)
Net cash used in financing activities	(8,014,173)	(32,625,699)	(6,588,477)	(27,078,640)
Net decrease in cash and cash equivalents	(4,194,206)	(17,074,614)	(3,551,260)	(14,595,678)
Cash and cash equivalents at beginning of year	6,749,105	27,570,095	10,300,365	42,406,602
Exchange difference on translation	-	(212,013)	-	(240,829)
Cash and cash equivalents at end of year 4	2,554,899	10,283,468	6,749,105	27,570,095
				_





Head Office

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Angk Snoul Branch

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Khsach Kandal Branch

Prek Ta Meak Village, Prek Ta Meak Commune, Khsach Kandal District, Kandal Tel: 024 900 131



Odongk Maechay Branch

Srah Keo Village, Veang Chas Commune, Krong Odongk Maechay, Kampong Speu Tel: 025 218 282



Thpong Branch

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Tram Kak Branch

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BRANCH NETWORK 41

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