

ANNUAL REPORT

2023

 KB PRASAC Bank



TWO WORLDS  
INTO 1

# Premium Current Account

**New!**

*High Interest Rate*

*Up to*

**5%**

*per annum*



- \* Interest rate above is valid until 19 September 2024
- \* Terms and Conditions apply

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# KB PRASAC BANK AT A GLANCE

KB PRASAC Bank's Shareholder

 **KB Kookmin Bank**

Number 1 Commercial Bank in Korea



Total Assets  
USD **5.66**  
billion



Total Loans  
USD **5.07**  
billion



Total Borrowers  
**548**  
thousand



Total Deposits  
USD **3.11**  
billion



Total Depositors  
**838**  
thousand



Return on  
Equity  
**9.10%**



Return on  
Assets  
**1.66%**



Registered Capital  
USD **600**  
million



Staff  
**10,224**



Office  
**192**



ATM  
**219**



CDM  
**20**



Operating  
Villages  
**14,195**



Number of Libraries  
and Schools Built  
**46**

# CORPORATE PROFILE

KB PRASAC Bank Plc. is a new commercial bank in Cambodia formed through the successful merger of PRASAC Microfinance Institution Plc. and Kookmin Bank Cambodia Plc (KBC).

KB PRASAC Bank obtained a commercial bank license from the National Bank of Cambodia (NBC) and received the approval from the Ministry of Commerce (MoC) to conduct its banking operations officially in August 2023.

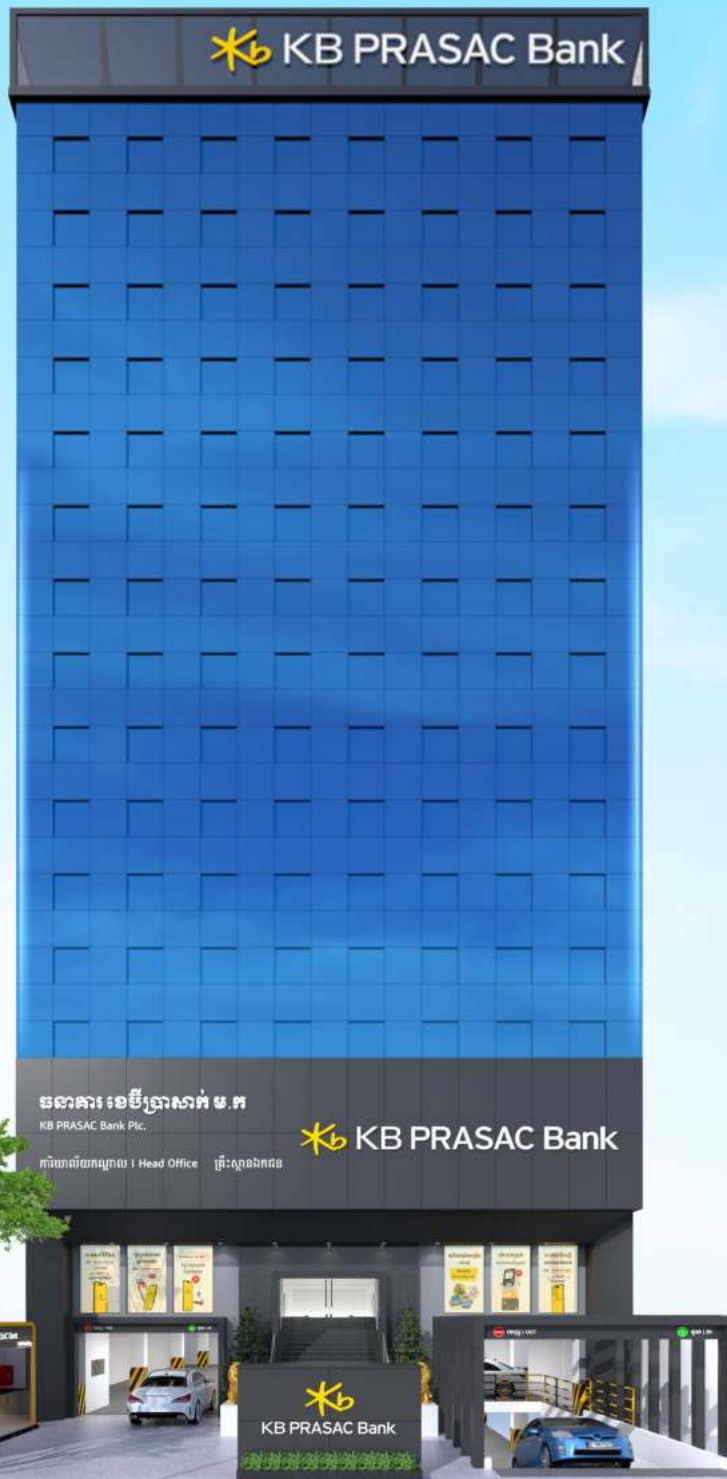
KB PRASAC Bank is a subsidiary of KB Kookmin Bank, the biggest bank in Korea.

The merged bank will deliver more comprehensive and innovative banking services and products to the customers in Cambodia with state-of-art digital banking system in line with the growth and demand of the market. The bank is also dedicated to promoting financial inclusion, driving economic growth, and providing innovative financial solutions to its diverse clientele.



# VISION AND MISSION

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## VISION

To be the most trusted financial partner with innovative and sustainable services that are helpful for customer's growth.

## MISSION

To provide sustainable access to financial services to communities, and micro, small and medium enterprises.





## MESSAGE FROM CHAIRMAN

### Cambodian Economy

In 2023, the global economy is projected to grow at 3%, a lower rate compared to 3.5% in the previous year. This slowing is attributed to the dragging force of ongoing monetary policy tightening, which has imposed constraints on consumption and investment. In addition, geopolitical fragmentations and tensions have also adversely affected production and international trade.

In Cambodia, economic growth is estimated to remain robust at 5.5%, marking an increment from the 5.2% growth observed in 2022. According to the National Bank of Cambodia, this growth is primarily fueled by the flourishing tourism and non-garment manufacturing sectors despite sluggish performance in the garment, construction, real estate, and agriculture sectors. Cambodia's inflation rate noticeably decreased to an average of 2.1% in 2023 from 5.4% in 2022, thanks to lower prices of oil-related items and subdued food inflation. The exchange rate remained stable. Foreign Direct Investment rose by 14.5%.

### Cambodian Banking System

Along with the economic recovery, the banking system continued to dominate the financial sector, actively supporting key economic sectors despite the sluggish credit growth. Credit growth slowed to 4.8%, marking the lowest growth rate in the last two decades, caused by the weak recovery of some sectors.

In response to this scenario, the National Bank of Cambodia relaxed some prudential measures to help banking and financial institutions support major sectors requiring financing for sustenance and expansion of investment. In addition, the banking system has actively contributed to advancing women's financial inclusion and promoting sustainable finance as a mean to empower women's engagement in economic activities and foster sustainable economic development.

Aligned with technological advancement, the modernization of payment systems in Cambodia, instrumental in the process



of digitalization, has improved efficiency, security, and integration at both regional and global levels. This transformation has supported trade, investment, and tourism. In addition, ease of access to payment services has also promoted financial inclusion and the use of the riel.

## The Successful Merger

For us, the year 2023 started with our concerted effort on the merger between Kookmin Bank Cambodia and PRASAC MFI. I extend my sincere gratitude to the National Bank of Cambodia and Ministry of Commerce for their unwavering support throughout the successful establishment of KB PRASAC Bank Plc. We have successfully integrated our IT system, core banking system and people, thus marking the beginning of a new chapter in our journey as commercial bank.

The merger has united the extensive commercial banking expertise of Kookmin Bank Cambodia with the largest branch network and customer base of PRASAC MFI. It would also benefit from increased scale, comprehensive product offering, and balance sheet resilience.

With the tagline “Your Lifetime Financial Partner”, we reaffirmed our commitment to serving our customers from all segments of society, from micro-businesses in rural areas to international enterprises. We pledge to stand by you through providing comprehensive financial services that cater to every generation and to be a lifetime financial partner.

## Highlights of the Overall Performance in 2023

Despite the challenging business environment, the amalgamation enables us to deliver strong financial outcomes. The merged bank managed to maintain its position as a resilient financial institution, in terms of its risk management, non-performing assets, regulatory compliance and governance standards. These achievements underscore the effectiveness of our governance culture and the diligent

supervision. As of the end of 2023, consolidated total assets were USD 5.66 billion, the deposit balance increased to USD 3.11 billion, and the gross loan portfolio amounted to USD 5.07 billion. Shareholders’ equity also grew and reached USD 1,055 million and the registered capital increased to USD 600 million in the reporting period.

The Board and shareholders have confidence that KB PRASAC Bank’s leadership, strategy and people are on the right track to enable the merged bank to provide its high level of performance for all stakeholders.

As we look towards the future, we remain committed to driving the future growth of the merged bank through strategic investments in digital and IT infrastructure, as well as in our people’s development. We prioritize fostering a culture of continuous learning and growth to ensure our staff remains adept at delivering excellent customer service. Furthermore, we are steadfast in enforcing robust corporate governance practices and upholding Environmental, Social, and Governance (ESG) principles to build trust with stakeholders and positively impact our communities.

On behalf of the Board of Directors, I would like to thank KB PRASAC’s management and staff for their hard work, dynamism, and strong dedication to grow the business along with customer’s growth in harmony. I also wish to thank the Board of Directors, shareholders, customers, the Royal Government of Cambodia and especially the National Bank of Cambodia and Ministry of Commerce for their continuous support and advice.



**Kwi Sang JUN**  
Chairman



## MESSAGE FROM PRESIDENT & CHIEF EXECUTIVE OFFICER

In 2023, the world shifted to normal as the Covid-19 pandemic was largely over. Nevertheless, various challenges persisted, including higher inflation and resultant monetary tightening, banking crises in Europe and the USA, and the continuing war in Ukraine. Despite these global headwinds, the Cambodian economy exhibited resilience, posting a growth rate of 5.5%. This growth was primarily driven by thriving tourism and non-garment manufacturing sectors, compensating for sluggish performance in garment, construction, real estate, and agriculture.

Against this backdrop, KB PRASAC Bank—a strategic merger between Kookmin Bank Cambodia and PRASAC Microfinance Institution—was incepted at just the right time, endowing the Bank with enhanced resilience and capabilities, empowering us to better serve our customers and communities while contributing to the growth of the Cambodian economy.

I would like to extend my heartfelt thanks to the National Bank of Cambodia and the Ministry of Commerce for their invaluable support and guidance throughout the merging process of both financial institutions. Without their unwavering support, this achievement would not have been possible.

Now let's delve into the progress and achievements of KB PRASAC Bank, starting with our expansion of physical networks. In addition to consolidating offices from both

institutions post-merger, we opened two new branches: Veal Veng and Trapaing Andoeuk, bringing our total branch network to 192. Furthermore, we've deployed more sophisticated ATMs and CDMs to enhance convenience for our customers.

Looking at our digitalization efforts, we've revamped our KB PRASAC Mobile app with a fresh look and added more features. Notably, we've introduced Digital Account—a hassle-free, instant account creation service catering to new-to-bank customers, enabling them to register and open accounts on the go without visiting a branch. Our updated app also offers seamless usage, even without internet data, through the networks of Smart Axiata and Metfone. Additionally, we've expanded our bill payment partners, such as Bill24 for private electricity suppliers and Viphou Phopudh Utility Co., Ltd for waste bill payments. Moreover, we introduced a cash back promotion last year, rewarding users who utilize our KB PRASAC Mobile app to scan and pay via KB PRASAC KHQR at our partner merchants.

For corporate governance, we were honored with certificates of appreciation, sealed by Samdech Akka Moha Sena Padei Techo Hun Sen, for our commitment of tax obligation to the state. We also received Certificate of Tax Compliance "Gold" type from General Department of Taxation.

As always, with our unwavering commitment to corporate social responsibility (CSR), we donated to Cambodian Red Cross to support its social and humanitarian activities in helping vulnerable victims. We sponsored the 8th National Reading Day, organized by MoEYS. Furthermore, we continued our CSR flagship library project by constructing one library building in Tbong Khmum province and one school building in Kampong Thom province.

Our bank is dedicated to ESG principles, aiming to deliver positive financial results, generate meaningful social impact, and contribute to green growth. We strive to create value for all stakeholders while safeguarding the planet for future generations.

KB PRASAC Bank is dedicated to promoting financial literacy among customers and communities by joining various activities under the initiatives of the National Bank of Cambodia, Cambodia Microfinance Association, and Association of Banks in Cambodia (ABC). Together, we empower individuals with the necessary knowledge and skills for financial resilience and prosperity in Cambodia.

In 2023, KB PRASAC Bank operated with caution, taking into consideration risks from all angles. We prioritized stringent asset quality management and monitoring. Although the economic uncertainty weighed heavy on our income generation, our financial results saw remarkable growth on all key metrics. Here are some notes on key operational highlights of our merged bank:

- Total assets at year-end were USD 5.66 billion, grew by 18.03% compared with the end of 2022.
- Total loan portfolios were USD 5.07 billion, increased by 16.47% with the total of 548 thousand clients.
- Non-Performing Loan (NPL) was at 3.75%.
- The deposits outstanding balance reached USD 3.11 billion with the total of 838 thousand depositors.
- After-tax net profit decreased by 52.05%, from USD 181.3 million down to USD 87 million.
- Return on Equity (RoE) was 9.10%, and Return on Assets (RoA) was 1.66%.
- Registered share capital increased from USD 400 million to USD 600 million.

- Office network covering 25 provinces and capital through 192 outlets, 239 ATMs & CDMs, operating in 14,195 villages, with a total of 10,224 staff.

As we look to the future, KB PRASAC Bank is dedicated to strategic investments in our business, IT infrastructure, staff development, and branding to lead in the banking sector. We prioritize asset quality management over balance sheet expansion, aiming to enhance our core competencies and increase our CASA balance. Through rigorous risk management and operational excellence, we aim to provide top-tier service and value to our customers, ensuring their ongoing satisfaction and loyalty. By adhering to our core values and embracing innovation, we are poised to overcome challenges and capitalize on new growth opportunities.

Our market positioning is clear: KB PRASAC Bank Plc. aims to be the bank for all segments of society, from micro-businesses in rural areas to international enterprises. We are committed to providing comprehensive financial services that cater to every generation. As your lifetime financial partner, we pledge to stand by you through every financial consultation and decision, offering guidance and support at every step of your journey.

On behalf of KB PRASAC Bank Management, I would like to thank customers for their support, the management team and staff for their effort and commitment, the Board of Directors for their support and advice, the Royal Government of Cambodia and especially the National Bank of Cambodia (NBC) and Ministry of Commerce (MoC) for their continuous support and advice. Together we have laid the foundation for a bright and prosperous future. Let us move forward with confidence and determination.



**OUM Sam Oeun**  
President & Chief Executive Officer

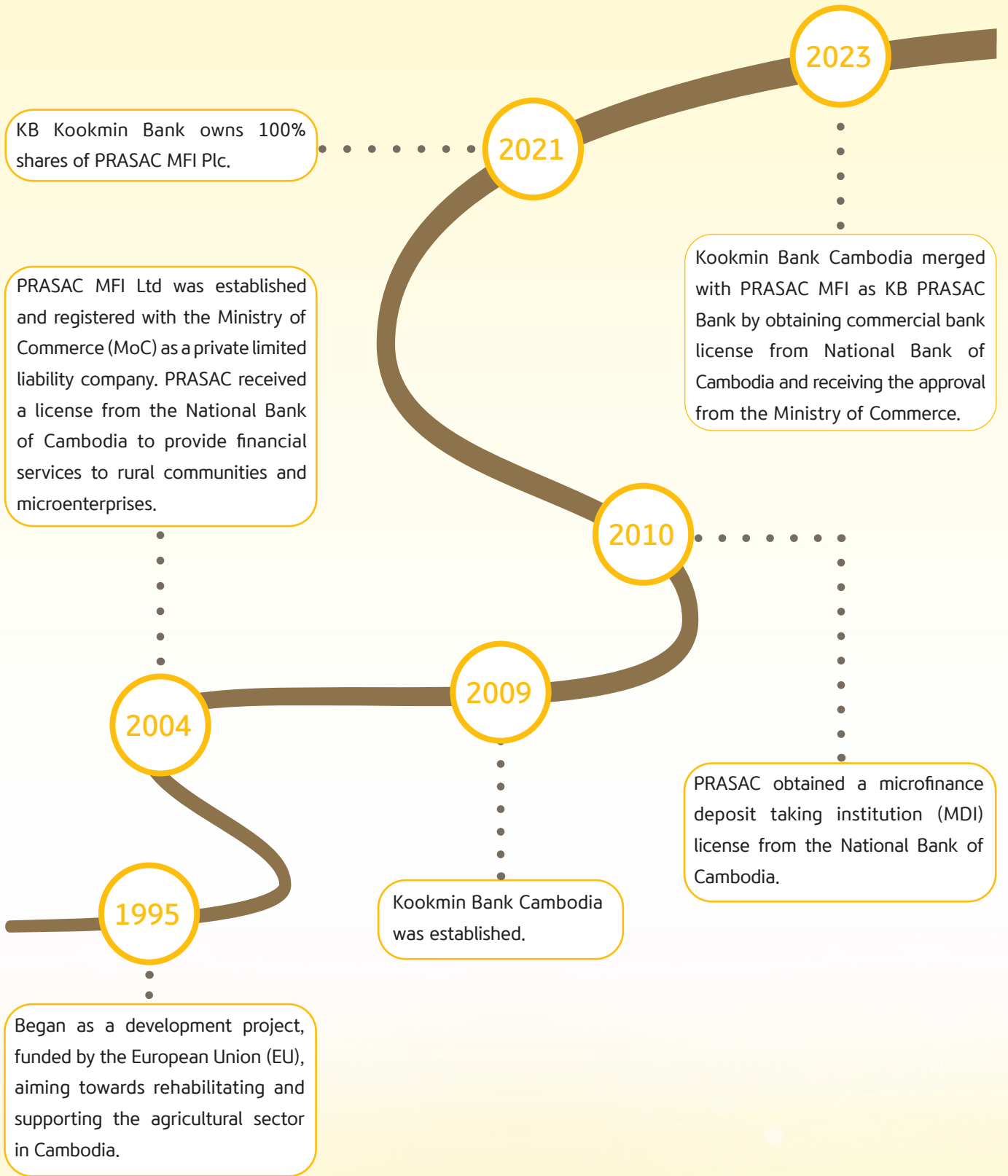
# KEY FINANCIAL PERFORMANCE INDICATORS

INDICATORS	2019	2020	2021	2022	2023
<b>Profitability and Efficiency</b>					
Operating Expense Ratio	2.92%	2.71%	2.70%	2.63%	2.26%
Average Disbursed Loan Size (USD)	6,382	7,086	8,712	8,707	8,560
Number of Loans per Credit Officer	86	97	97	104	108
Number of Loans per Staff Member	53	57	57	61	61
<b>Profitability</b>					
Return on Assets (RoA)	3.79%	3.24%	3.92%	3.98%	1.66%
Return on Equity (RoE)	28.89%	23.43%	26.07%	23.70%	9.10%
<b>Operational Network</b>					
Province/Capital	25	25	25	25	25
District	197	202	202	203	208
Commune	1,638	1,636	1,637	1,643	1,646
Village	14,053	14,022	14,030	14,109	14,195

\* Figures were updated in accordance with the CIFRS



# KEY MILESTONES



# OFFICE NETWORKS



**192**  
Branches



**219**  
ATMs



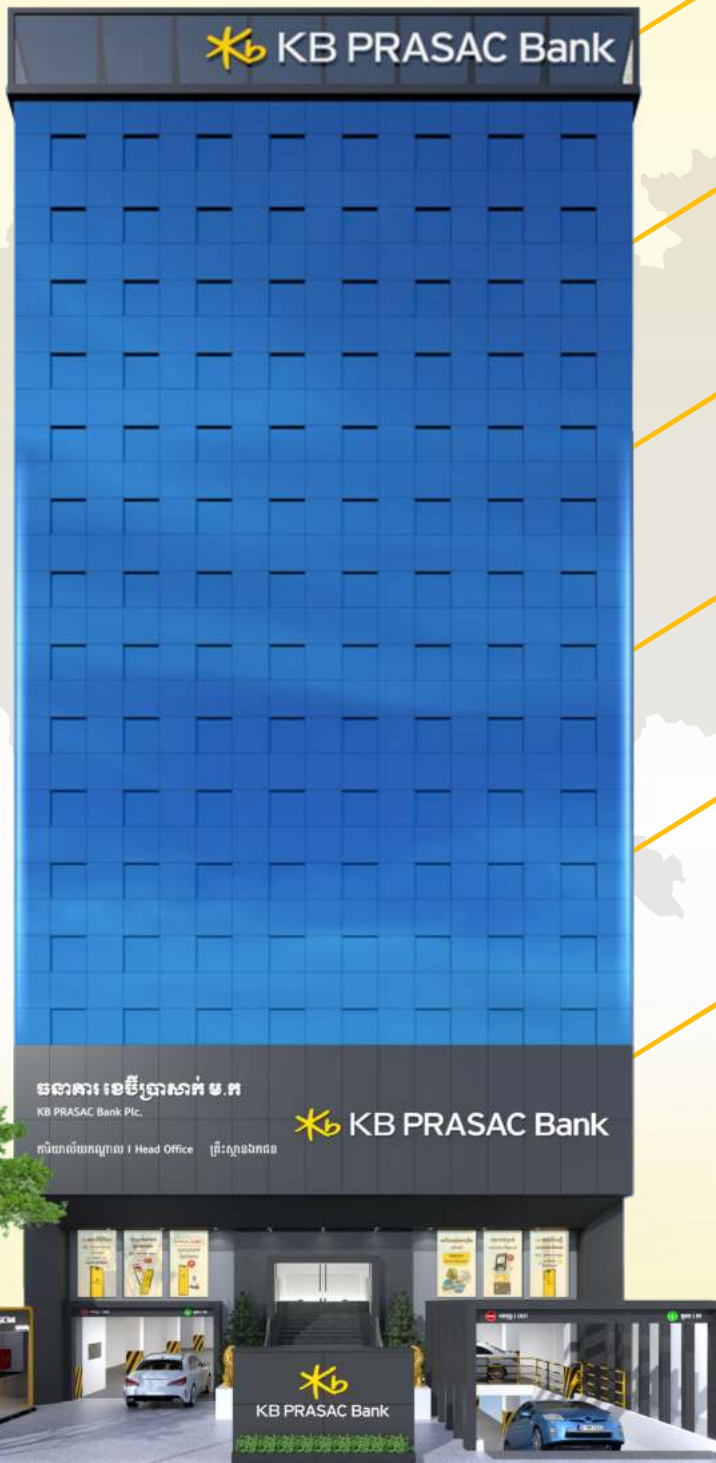
**20**  
CDMs

**25**  
Provinces/Capital

**208**  
Districts

**1,646**  
Communes

**14,195**  
villages



# PRODUCTS AND SERVICES

## Credits

- ▶ Micro Business Loan
- ▶ SME & Corporate Loan
- ▶ Consumption Loan
- ▶ Home & Housing Loan
- ▶ Dream Car Loan
- ▶ Smart Loan
- ▶ Education Loan
- ▶ Loan Against Term Deposit
- ▶ Payroll Loan
- ▶ Trade Finance Loan
- ▶ Overdraft Loan

## Deposits

- ▶ Current Account
- ▶ Premium Current Account
- ▶ Savings Account
- ▶ Digital Account
- ▶ Merchant Savings Account
- ▶ Unfixed Deposit Account
- ▶ Flexi Growth Savings Account
- ▶ Kid Growth Savings Account
- ▶ Savings Plan Account
- ▶ Employee Savings Account
- ▶ Term Deposit Account
- ▶ Financial Institution Business Account
- ▶ Financial Institution Term Deposit Account

## Digital Services and Others

- ▶ KB PRASAC Mobile
- ▶ KB PRASAC Corporate
- ▶ KB PRASAC Merchant
- ▶ ATM
- ▶ CDM
- ▶ POS
- ▶ Domestic Transfer
- ▶ International Fund Transfer
- ▶ Bank Confirmation
- ▶ Bakong Payment Service
- ▶ Real-Time Fund Transfer
- ▶ Fast Payment
- ▶ CSS
- ▶ Bill Payment
- ▶ Mobile Top-Up
- ▶ Payroll Service
- ▶ Standing Instruction Service
- ▶ Check
- ▶ Banker's Check
- ▶ Bancassurance
- ▶ Foreign Exchange
- ▶ Others



# SHAREHOLDER

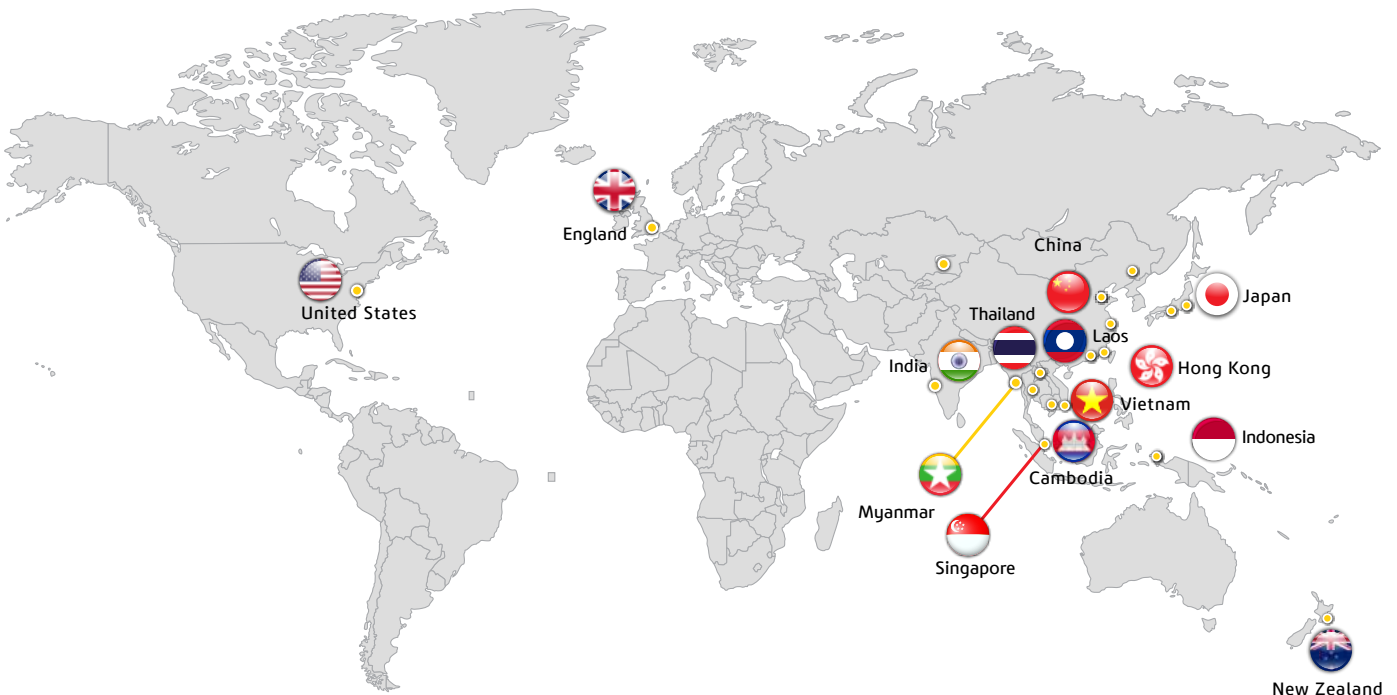
KB Kookmin Bank is Korea’s leading bank with the largest customer base and branch network in the nation. The bank is also leading the digital finance era, providing differentiated financial products and services engineered by its innovative financial know-how.

KB Kookmin Bank is a member of the largest financial group in South Korea, KB Financial Group.

KB Financial Group is a leading financial services provider in South Korea, offering a wide range of financial products and services. The group was founded in 2008 for better customer service, growth and value in a rapidly changing world.

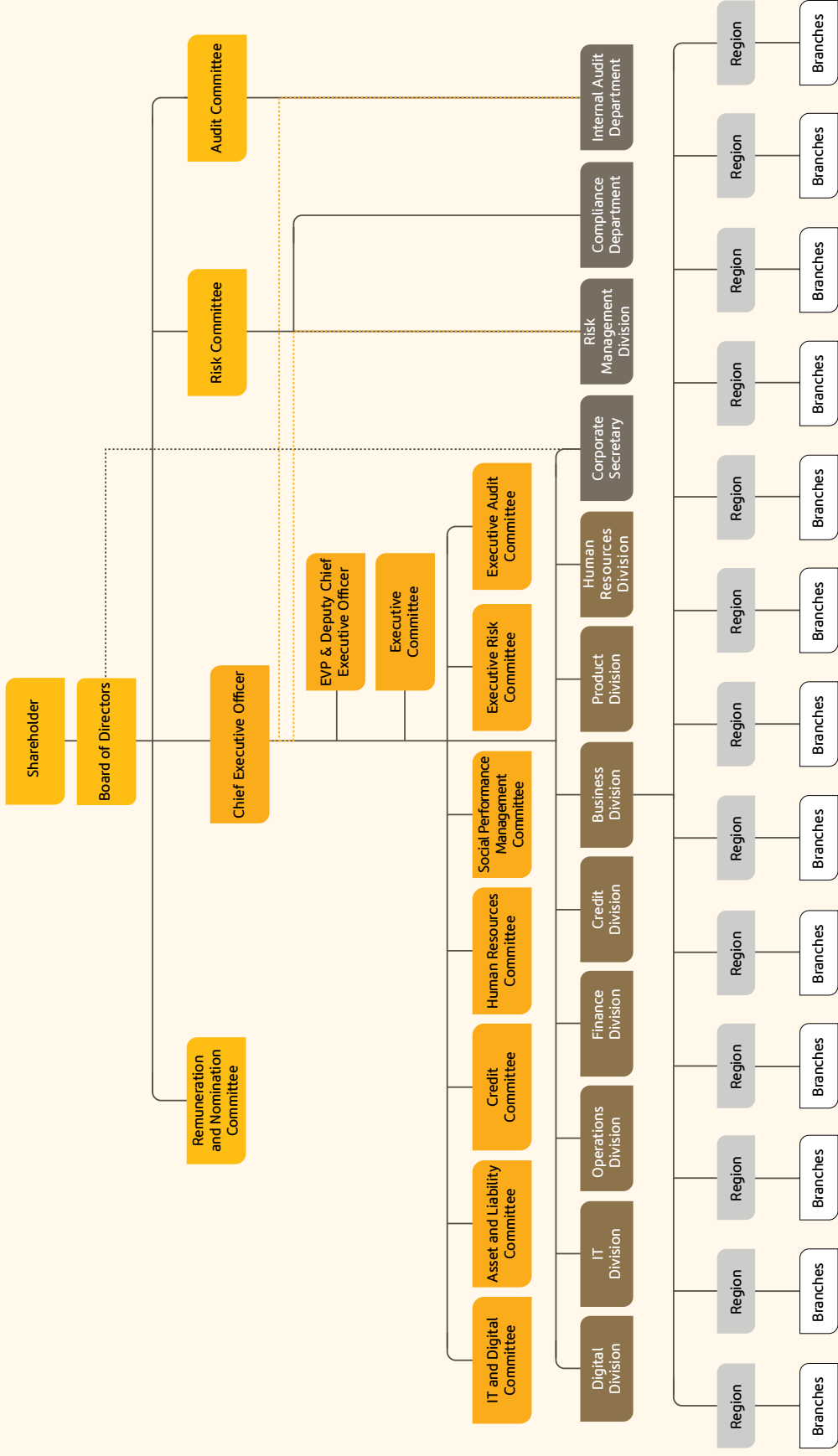
Within the Group, there are 11 subsidiaries, including: KB Kookmin Bank, KB Securities, KB Insurance, KB Kookmin Card, KB Life Insurance, KB Asset Management, KB Capital, KB Real Estate Trust, KB Savings Bank, KB Investment and KB Data Systems.

KB Kookmin Bank has a wide overseas network such as: United States of America, United Kingdom, Indonesia, Cambodia, Vietnam, Hong Kong, China, Singapore, Japan, Newzealand, India, Myanmar, Thailand and Laos. For more information, please visit [www.kbstar.com](http://www.kbstar.com) / [www.kbfg.com](http://www.kbfg.com).





# ORGANIZATIONAL CHART



# BOARD OF DIRECTORS



**Mr. Kwi Sang JUN**  
**Chairman**

Mr. Kwi Sang Jun is the Chairman of the Board of Directors of KB PRASAC Bank Plc. As a financial services industry veteran in banking and capital markets, Mr. Jun served and held various senior leadership positions during his 33 years of experience at KB Kookmin Bank prior to his retirement in early 2019.

After serving as a Head of various key departments, including Sales Planning and Large Corporate Business, Mr. Jun served as a Division Head of Large Corporate Business Division and Regional Sales Group, and then was appointed as a Senior Executive Vice President & Head of the Corporate and Investment Banking Group and Shared Service Group (including Human Resources Division). He was also a Deputy President of KB Financial Group Inc. as well as a Deputy President of KB Securities in charge of the Corporate and Investment Banking Division.

As shown in his previous experiences and leadership roles at KB, Mr. Jun has a wide range of expertise in the corporate and investment banking with the practical experience and theoretical knowledge in banking, as well as the areas of procurement, general affairs and human resources.

He received a BA in Economics from Busan National University, an MBA from Helsinki School of Economics.





**Mr. Hui Tae CHUNG**  
**Director**

Mr. Hui Tae Chung is currently serving as a General Manager of Global Growth Supporting Department at KB Kookmin Bank in Seoul, Korea. He has more than 20 years of experience at KB Kookmin Bank since he started his career. Mr. Chung worked in the Strategy Planning Department for more than ten years, fully specialized in developing strategic plans and organizing company structure. He also had experience of successfully serving various clients including corporate customers at the local branch. He obtained a Bachelor's Degree of Art in German Language and Literature and has a Master's Degree of Law from Korea University of South Korea.



**Dr. Dong Hyun CHOI**  
**Director**

Dr. Choi is currently serving as a Visiting Professor teaching finance and investment theory to students at Dongguk University in Seoul, Korea. He also served as a Visiting Professor at Inha University and Aju University in Korea from 2017 to 2021 and the National University of Management in Phnom Penh, Cambodia from 2015 to 2017.

Dr. Choi served from 2015 to 2017 as an Advisor and TA at the National Bank of Cambodia in Phnom Penh. He served in the Bank of Korea, which is Korea's central bank, for more than 30 years. While working at Bank of Korea, his career was centered on FX reserves management, including planning, risk management, trading, portfolio management, settlement and even IT projects. Between 2009 and 2012, he was the Chief Investment Officer at Bank of Korea in New York and managed USD 45 billion, part of Korea's national FX reserves, investing in fixed-income securities such as Treasuries, Agencies, Supra-nationals, Sovereigns, Corporates and MBS denominated in USD and CAD.

Dr. Choi holds an MBA focusing on international finance from Pennsylvania State University in University Park, PA, USA and Ph.D. in finance from Dongguk University in Seoul, Korea.



**Mr. OUM Sam Oeun**  
**Director**

Mr. OUM Sam Oeun holds a Master's degree in Business Administration specializing in banking and finance and obtained a Diploma in Accounting and Commerce in 1988 and also holds a Bachelor's degree in Business Management in 1995. He has attended several training courses related to microfinance operations and management.

In 1995, he started working with PRASAC credit program. He was promoted to Deputy General Manager of PRASAC MFI in early 2007. He was also a member of the Board of Directors of PRASAC Microfinance Institution from 2004 to 2017. Since 2011, he has worked in the position of Executive Vice President & Chief Operations Officer.

He currently holds the position of President & Chief Executive Officer of KB PRASAC Bank Plc.



**Mr. Kyung Cheon LEE**  
**Independent Director**

Mr. Kyung Cheon LEE is an Independent Director of the Board of Directors of KB PRASAC Bank Plc. As a foreign legal consultant, Mr. Lee has provided legal and strategic consulting services for the several Banks and Financial institutions in Cambodia and overseas.

Mr. Lee also served as a Deputy President of the Korean Chamber of Commercial in Cambodia and a legal advisor for the Korean Embassy in Cambodia and Korea Trade-Investment Promotion Agency in Cambodia.

Mr. Lee received a BA and Master degree in Law from Seoul National University in Korea, and LL.M. from Law School of the University of Minnesota and MBA from the Business School of College of William Marry in USA. Mr. Lee also has a license of attorney-at-law in New York State Bar in USA.

As shown in his previous experiences and knowledge about the law in Banking Sector, Mr. Lee will contribute practical advising and consulting as a member of Board of Directors.



**Mr. Jaehong PAK**  
**Independent Director**

Mr. Jaehong PAK is an Independent Director of the Board of Directors of KB PRASAC Bank Plc. He is working as an auditor and senior consultant at a Korean accounting firm in Cambodia. He will be sharing his expertise in auditing and consulting with his knowledge and experiences gained from working with a variety of industries.

He studied in the USA from the early years getting secondary education in Western New York State region and tertiary education there in Rensselaer Polytechnic Institute in New York State capital region. He has MBA degree from Charles Sturt University, New South Wales, Australia.

He has been living in Cambodia for more than 13 years. With his experience and understanding of Cambodia, he will work for the better of KB PRASAC Bank.



**Mr. CHAN Sophal**  
**Independent Director**

Mr. CHAN Sophal is currently Executive Director of the Centre for Policy Studies (CPS), a Cambodian think tank providing research and consulting services in the areas of economic development, mainly in agriculture, land and labor issues.

For a progressive career over the past 28 years, he has been researcher and manager in various institutions including World Bank, Leopard Capital, USAID funded project called HARVEST, World Food Programme, Cambodia Development Resource Institute (CDRI), and Ministry of Agriculture, Forestry and Fisheries.

Mr. Sophal received an MSc in Agricultural Economics from the University of London, Imperial College at Wye, UK, after he completed Bachelor courses in Agribusiness from University Queensland, Gatton College, Australia and Diploma in Hydrology from National Institute of Agriculture Prek Leap.

# COMMITTEES OF THE BOARD OF DIRECTORS

## Audit Committee

The composition of the Audit Committee complies with the Prakas of the National Bank of Cambodia, which is stipulated as follows:

- Chaired by an independent board member.
- Includes at least one independent person with expertise in finance and accounting.
- Includes at least one independent person with expertise in legal issues and banking.

The audit committee is composed of 4 members from the Board, and chaired by an independent board of director with expertise in auditing:

1. Mr. Jaehong PAK, Chairman
2. Mr. Kyung Cheon LEE, Member
3. Mr. CHAN Sophal, Member
4. Dr. Dong Hyun CHOI, Member

The audit committee is responsible for:

- Ensuring compliance with legal and regulatory requirements and ensuring that the information provided to the public and to the National Bank of Cambodia is clear, accurate and reliable.
- Assessing the relevance of the accounting methods used to prepare the individual and consolidated accounts.
- Assessing the quality of internal control procedures especially whether the systems for measuring, monitoring and controlling risks are consistent, and recommending further action where appropriate.

In 2023, the Audit Committee held five meetings in February, March, July, October and December to review and discuss on matters relating to KB PRASAC. The summary of the activities undertaken by the Audit Committee during 2023 was as following:

- Reviewed quarterly result of credit audits, branch operational audits, centralized department audits and IT audits.

- Reviewed audit report on special case investigation.
- Approved Internal Audit Charter.
- Approved Internal Audit Policy.
- Discussed and approved annual internal control report 2022 for submitting to the NBC.
- Discussed Financial Statements for the year ended 31 December 2022 and Report of the Independent Auditors.
- Reviewed challenges and achievements of internal audit department.
- Reviewed loan written-off proposal.
- Reviewed and approved audit plan and budget for 2024.

## Risk Committee

The Risk Committee is comprised of 4 members from the Board of Directors and presided over by an independent director. All members of the committee have expertise in banking, risk management, economics, finance, operations, auditing and legal knowledge:

1. Mr. CHAN Sophal, Chairman
2. Mr. Kyung Cheon LEE, Member
3. Mr. Jaehong PAK, Member
4. Dr. Dong Hyun CHOI, Member

The committee is responsible for the following tasks:

- Analyzing loan growth
- Analyzing Expected Credit Loss (ECL)
- Credit risk management
- Capital risk management
- Liquidity and funding risk management
- Operational risk management
- Compliance risk management
- Regulatory, political and policy risk management
- Managing key risk indicators and exposures
- Economic and competitive environment supervision
- Reviewing and approving policies

In 2023, the committee met 4 times, on a quarterly basis, in March, July, October and December to review and discuss the following topics:

- Qualitative and quantitative financial industry sector in Cambodia
- Impact of increasing fuel price on financial sectors in Cambodia and how to mitigate
- Impact of increasing inflation rate on financial sectors in Cambodia and how to mitigate
- Portfolio quality and trends
- Loan restructuring
- Performance of risk officers at branch level
- Risk assessment and actions to mitigate risk
- AML/CFT compliance
- Regulatory compliance
- Liquidity and funding availability to support business
- Capital position and strategy
- Internal control system of the institution
- Economic risk
- Plan for 2024

## Remuneration and Nomination Committee

The committee consists of 4 members from the board of directors.

- 1) Mr. LEE Kyung Cheon, Chairman
- 2) Mr. PAK Jaehong, Member
- 3) Mr. CHAN Sopha, Member
- 4) Mr. CHUNG Hui Tae, Member

In 2023, the committee conducted 4 meetings and advised management to implement the following activities:

- Improved internal policies and guidelines on human resources management including recruitment procedures and staff performance management.
- Implemented the new information technology tool for human resources management.
- Executed an extensive training program.
- Increased salary and offered pool bonuses for the company's staff.
- Reviewed the compliance of human resources management to law and rules of labor law.



# EXECUTIVE COMMITTEE

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**Mr. OUM Sam Oeun**

**President & Chief Executive Officer**

Mr. OUM Sam Oeun holds a Master's degree in Business Administration specializing in banking and finance and obtained a Diploma in Accounting and Commerce in 1988 and also holds a Bachelor's degree in Business Management in 1995. He has attended several training courses related to microfinance operations and management.

In 1995, he started working with PRASAC credit program. He was promoted to Deputy General Manager of PRASAC MFI in early 2007. He was also a member of the Board of Directors of PRASAC Microfinance Institution from 2004 to 2017. Since 2011, he has worked in the position of Executive Vice President & Chief Operations Officer.

He currently holds the position of President & Chief Executive Officer of KB PRASAC Bank Plc.



**Mr. Hyeun Jong KIM**

**EVP & Deputy Chief Executive Officer**

Mr. Hyeun Jong KIM holds MBA in Finance from Sogang University and Bachelor's degree in Commerce from Jeonbuk National University. He is a professional banker with over 30 years of experience and is known as an expert in sales management.

After joining KB Kookmin Bank in 1991, he has been promoted to the various management positions. In 2020, he was in charge of the entire overseas business operations of KB Kookmin Bank based on his successful performance in individual/corporate banking business management and overseas business in Vietnam. He continued showing his leadership in Kookmin Bank Cambodia in 2021 as a Chief Executive Officer until he joined PRASAC MFI Plc. In 2022.

He currently holds the position of EVP & Deputy Chief Executive Officer of KB PRASAC Bank Plc.





**Mr. Soo Yeon WON**  
**EVP & Chief Financial Officer**

Mr. Soo Yeon WON holds a Master's degree in Business Administration majoring in finance and accounting, and a Bachelor's degree in Business Administration and Philosophy. He has attended several training courses related to banking operations and management in both Korea and abroad.

He has gained more than 20 years of experience in various fields such as financial planning & management, loan product development & pricing and overseas business in Kookmin Bank. He has worked as Team head of Global Planning Department taking charge of overseas business strategy. Then he has joined the PRASAC MFI since early 2022.

He currently holds the position as Executive Vice President & Chief Financial Officer of KB PRASAC Bank Plc.



**Mr. KONG Sean**  
**EVP & Chief Operations Officer**

Mr. KONG Sean holds a Master's degree in Business Administration specializing in Management and also holds a Bachelor's degree in Management. Since 2001, he has attended several training courses related to microfinance and banking operations and management in both local and abroad.

He used to work as Head of Financial Institution Department at a commercial bank until early 2011. Then he joined PRASAC MFI as Vice President and Manager of Product Development Department. In mid-2012, he has been assigned as Vice President and Manager of Treasury Department.

He currently holds the position as EVP & Chief Operations Officer of KB PRASAC Bank Plc.



**Mr. PEN Sovannsoksitha**  
**EVP & Chief Product Officer**

Mr. PEN Sovannsoksitha holds Master's degree in Development Management, and completed course work of Master in Business Administration. He holds a Bachelor's degree in Economic Science, specializing in Banking Finance. He has gained more than 15 years of experience in field of microfinance and bank, product development, marketing management, customer service, client protection, and financial literacy.

He started his career as Credit and Marketing Officer, then moved to other positions such as Access to Finance Specialist, Senior Credit Advisor, Social Performance Specialist, and Project Manager in both local and international firms. He has joined PRASAC MFI since early 2014 in the position of AVP & Deputy Manager of Marketing and Communications Department. He was promoted to Vice President and Manager of Marketing and Communications Department in 2016.

He currently holds the position of EVP & Chief Product Officer of KB PRASAC Bank Plc.



**Mr. PHOK Vandy**  
**EVP & Chief IT Officer**

Mr. PHOK Vandy holds a Master's degree in Computer Science and Engineering from the Royal University of Phnom Penh. Since 2001, he has attended several training courses and workshops related to IT development, project management, core banking solutions, microfinance and banking operations both local and abroad.

He has gained more than 20 years of experience in various fields such as application development, IT infrastructure and database management, cyber security and risk prevention, core banking implementation, system migration and upgrade, mobile banking development, and IT business management and strategy.

He has started his professional career as Software Developer in early 2000; then promoted to be a Head of Developer before joining the microfinance industry in 2004 as an IT Manager. Then he joined PRASAC MFI in June 2010 as Deputy IT Manager and Core Banking Support. He was promoted to VP & Manager of IT and Core Banking Department in July 2013.

He currently holds the position of Executive Vice President & Chief IT Officer of KB PRASAC Bank Plc.



**Mr. SUM Sinath**  
**EVP & Chief Credit Officer**

Mr. SUM Sinath holds a Master's degree of Business Management in 2007, Bachelor's degree of Business Management in 2005 and High Diploma of Accounting in 2003. He has attended several training courses and workshops that contribute to building his role in the banking and financial sector such as Effective Management Skill for MFIs, MBA Financial Management from Hong Kong, Risk Management of MFIs, Strategic Planning and Management (EDA), Effective Staff Performance Appraisal, Certificate of Management Course (ITC Boulder Italy), Savings Mobilization, Funding Management in Financial Institutions and other courses both local and overseas.

He has gained more than 20 years of experience in banking and financial sector. He first started his professional career at PRASAC Microfinance Institution from September 2002 to 2015 as Credit Officer, Branch Manager, Branch Support Manager, and Operations Manager. Then he moved to other MFIs as General Manager from April 2015 to June 2017, as Chief Operations Officer (COO) from June 2019 to March 2023. He rejoined PRASAC in April 2023.

He currently holds the position of EVP & Chief Credit Officer of KB PRASAC Bank Plc.



**Mr. RY Vanna**  
**EVP & Chief Business Officer**

Mr. RY Vanna holds Master's degree in Business Administration, major Finance and Banking; and holds Bachelor's degree in Business management. He has attended numerous local and international training courses and workshops related to microfinance operations and management.

He has started his professional career as a Credit Officer in 1999; then promoted to be a Chief Credit Officer, Branch Manager, Regional Manager Social and Environmental Coordinator, a member of Board of Director in a microfinance institution. He has joined PRASAC in 2011 as Vice President and Manager of Credit Department.

He currently holds the position of Executive Vice President & Chief Business Officer of KB PRASAC Bank Plc.



**Mr. HOEUN Honey**

**EVP & Chief Human Resources Officer**

Mr. HOEUN Honey holds a Master's degree of Public Administration and a Bachelor's degree in General Management. He has attended several professional development training courses in human resources in both local and overseas.

He has more than 20 years of experience in human resources development. He started working for PRASAC as a Credit Officer Trainer and Supervisor from 1996 to 1998. In 2008, he has rejoined PRASAC as a Senior Branch Support Officer; and he was promoted to the position of Personnel Unit Manager in 2009; to Vice President and Manager of Personnel Department in 2011.

He currently holds the position of Executive Vice President & Chief Human Resources Officer of KB PRASAC Bank Plc.



**Mr. Ju Hwan YI**

**EVP & Chief Risk Officer**

Mr. Ju Hwan YI is the Financial Risk Manager certified by the Global Association of Risk Professionals and holds a Bachelor's degree in English. He has attended several training courses related to overall risk management activities on credit, interest rate, liquidity and operational risk, as well as BASEL standards and financial crisis management.

He has held various roles in the risk management department of Kookmin Bank and KB Financial Group Inc. for more than 10 years and has accumulated various experience in risk management for bank and non-banking affiliates, contributing greatly to establishing KB's risk management system as it is today. He joined PRASAC in 2020 and currently holds the position of EVP & Chief Risk officer of KB PRASAC Bank Plc.

# Grow Your Business with KB PRASAC Bank **Loan**



# MANAGEMENT COMMITTEES

## Asset and Liability Management Committee

The Asset and Liability Management Committee (ALCO) had 8 meetings in 2023 and achieved as the following:

- Endorsed borrowings of USD 572 million which are long-term senior debts.
- Advised the treasury and business team to look for more Khmer Riel liabilities to support Khmer Riel lending and operating activities.
- Advised treasury team to minimize Net Open Currency Position.
- Endorsed on funding proposal to increase committed credit facility from USD 150 million to USD 200 million with Kookmin Bank, Hong Kong Branch for liquidity backup line.
- Advised treasury team to seek more funding support from KB HQ, local banks, and offshore lenders to meet KB PRASAC's funding requirement for 2024.
- Approved on proposal to revise interest rate of term deposit.
- Approved on proposal to the revised HO Transfer Pricing (HOTP)

## Credit Committee

In 2023, KB PRASAC was highly committed to strengthening loan quality and providing faster service to clients. As the result, client growth rate increased approximately 9.30%, from 502,094 borrowers in 2022 to 548,810 borrowers in 2023 with portfolio growth of about 16.47%. The solid experience and competency of the credit committee in both branches and head office allow KB PRASAC to deeply analyze its client situation and maintain good loan quality.

The provision of small loans is still the main area for KB PRASAC's growth in terms of total loan portfolio, number of clients and reduced exposure size. The average loan

outstanding per client was USD 7,507 in 2022 and USD 8,141 in 2023. The Non-Performing Loan (NPL) rate is 3.75% as of December 2023 which allows KB PRASAC to maintain its market leading position in terms of loan quality in the Cambodian banking and finance industry.

## Product Development Committee

The committee successfully performed the following tasks to ensure high quality of services offered and achieve the goals of the 2023 business plan.

- Developed new products and services.
- Reviewed existing products and services features, terms and conditions, and modified the pricing list to be more competitive and comply with benchmarks.
- Followed up the implementation by each branch compared to each product and service's operational manual and procedures.
- Looked for good opportunities in financial markets to attract more customers and increase deposits.
- Ensured all products are profitable and low-cost.

## Information Technology Steering Committee

The IT Steering Committee is responsible for the IT governance of KB PRASAC Bank including developing all applications for supporting products, reviewing, and evaluating the approved strategies, and maintaining internal control systems to support business growth, risk management practices and align with digitalization in the banking sector.

In 2023, the ITSC held several meetings to review and discuss matters relating to KB PRASAC Information Technology. Here are the key activities of the committee:

- Discussed planned IT implementation project in 2023
- Discussed draft KB PRASAC Bank ICT Policy version 1, 2023
- Discussed IT integration project
- Discussed about Program licensing Subscription
- Discussed about customizations on new Core Banking System
- Discussed cross border QR code payment
- Discussed CSS EMV contact card implementation
- Discussed new ATM locations expansion
- Discussed launching eKYC account opening
- Discussed bill payment service expansion

#### Summary of important achievement in 2023:

- Implemented eKYC account opening on Mobile Banking app
- Implemented IT integration project
- Installed new, modern, and higher performance IT Infrastructure System to ready support IT integration project and growth of operations in the future.

- Modernized new Core Banking system and customizations to support project integration.
- Subscribed some program licenses to support system implementation.
- Developed new products, improved existing products, and implemented/supported projects to fulfill operational requirements and external compliance.
- Improved system process, workflow, enhancement/customization, and automation to support internal operations and daily transactions.
- Went live new card product “CSS EMV contact card”
- Expanded number of ATM location to meet customer demand.
- Added new bill payment service and improvement convenience payment work flow.
- Strengthened BCP, IT security and compliance, segregation of duty, performance tuning and capacity planning to support business growth such as switch-over, users/audit trial reviews, load balancing, system maintenance/archiving, and hardware sizing.



# PARTNERSHIPS

At KB PRASAC Bank, we take pride in offering our clients a comprehensive array of services to meet their financial needs. We have established partnerships with a diverse range of trusted providers to ensure that our clients have access to essential services such as bill payment and phone top-up.





# Interbank Fund Transfer

via **KB PRASAC Mobile**

**200,000,000** Riels  
& **50,000** \$ per day



\* Member of  **BAKONG**

# MERCHANTS

At our bank, we are dedicated to enhancing the convenience and accessibility of financial transactions for our clients. That's why we have cultivated an extensive network of merchants nationwide, allowing our clients to scan and pay for products and services effortlessly.

Whether it's shopping at their favorite retail stores, dining at restaurants, or accessing various services, our clients can simply use KB PRASAC Mobile to scan KHQR code to make secure and hassle-free payments.

**KB PRASAC** **KHQR**

**Accepts payments** 

**from all banks**

**FREE!**

**KB PRASAC Bank**

Scan. Pay. Done.

**SAMBO Sambat**  
Merchant ID : 000011160XXX

Member of  
**KHQR**  
☎ 023 999 911

# OPERATIONAL PERFORMANCE HIGHLIGHTS

## Loan Portfolio

DESCRIPTION (IN USD)	2019	2020	2021	2022	2023	CHANGE (AMOUNT)	CHANGE (%)
Total loans	2,494,458,503	3,028,193,427	3,748,358,425	4,350,085,163	5,066,477,344	716,392,181	16.47%
Group loans	643,968	377,042	178,644	101,891	44,292	(57,599)	(56.53%)
Individual loans	2,493,814,535	3,027,816,385	3,748,179,781	4,349,983,272	5,066,433,052	716,449,780	16.47%
Loans in KHR	305,131,677	365,326,565	452,563,732	539,305,197	618,373,041	79,067,844	14.66%
Loans in USD	2,139,255,629	2,638,558,932	3,286,440,759	3,807,388,176	4,449,266,226	639,586,651	16.80%
Loans in THB	50,071,197	24,307,930	9,353,934	3,391,790	1,129,476	(2,262,314)	(66.70%)

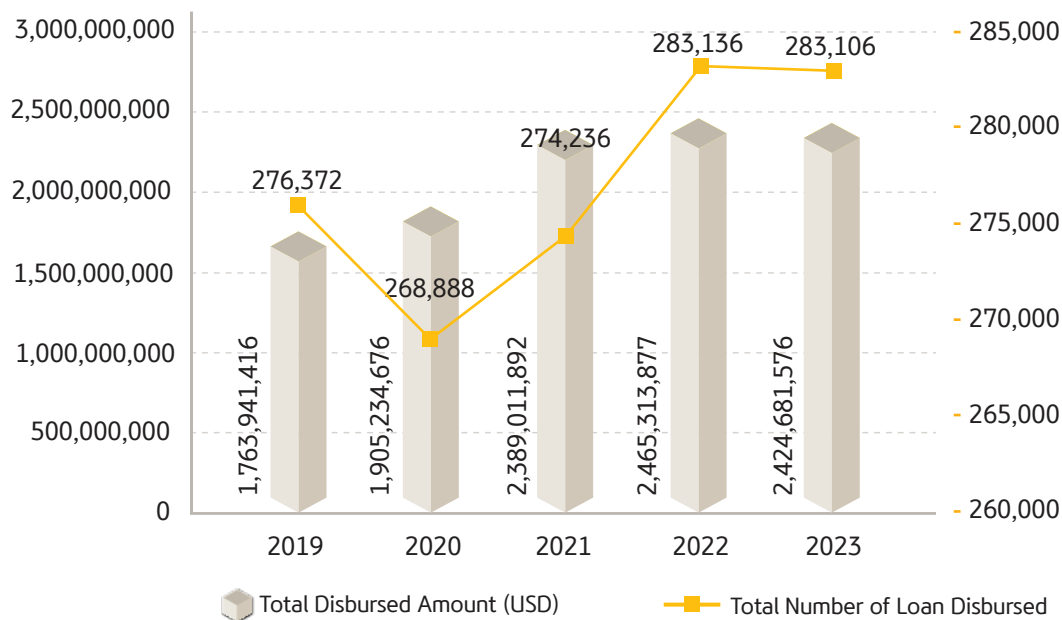
Loans can be disbursed in Khmer Riel, United States Dollar and Thai Baht. They are classified as group loans or individual loans. In 2023, Individual loans represented 99.99% of the total portfolio. Group loans outstanding decreased by 56.53% during the year, while individual loans outstanding increased by 16.47% or USD 716.44 million. Outstanding loans in Khmer Riel increased by 14.66%, while loans in United States Dollar increased by 16.80% and loans in Thai Baht decreased by 66.70%.

## Borrowers

DESCRIPTION (Person)	2019	2020	2021	2022	2023	CHANGE (Person)	CHANGE (%)
Total borrowers	417,044	442,833	465,149	502,094	548,810	46,716	9.30%
Borrowers as group	1,251	997	468	248	109	(139)	(56.05%)
Borrowers as individual	415,793	441,836	464,681	501,846	548,701	46,855	9.34%
Female borrowers	332,372	348,435	362,630	389,769	422,527	32,758	8.40%
Male borrowers	84,672	94,398	102,519	112,325	126,283	13,958	12.43%

At the end of 2023, the number of active borrowers was 548,810, an increase of 9.30% over the previous year. Group loan borrowers decreased by 56.05% but individual loan borrowers increased by 9.34%. Female borrowers increased by 8.40% and male borrowers increased by 12.43%.

## Loan Disbursement



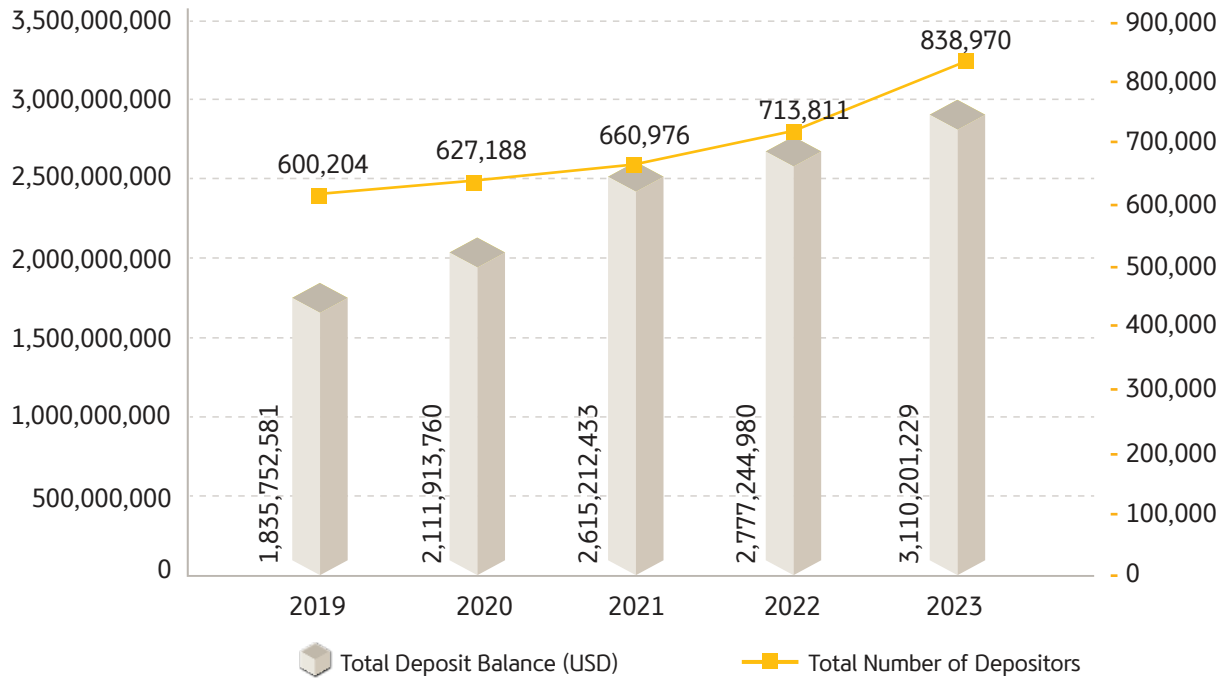
In 2023, KB PRASAC disbursed new loans totaling USD 2,424,681,576, a decrease of 1.65% over the previous year. The number of new loans was 283,106, a decrease of 0.01%. The average disbursed loan size was USD 8,560.

## Loan Portfolio Quality

DESCRIPTION (IN USD)	2019	2020	2021	2022	2023	CHANGE (AMOUNT)	CHANGE (%)
NPL Amount	7,778,693	41,600,676	57,931,342	51,794,317	190,289,805	138,495,488	267.40%
Principal Past Due	1,995,803	4,842,737	5,985,732	8,489,227	27,693,830	19,204,603	226.22%
NPL Ratio	0.31%	1.37%	1.54%	1.19%	3.75%	2.56%	215.33%
Repayment Ratio	99.75%	99.49%	99.43%	99.33%	98.26%	(1.07%)	(1.08%)

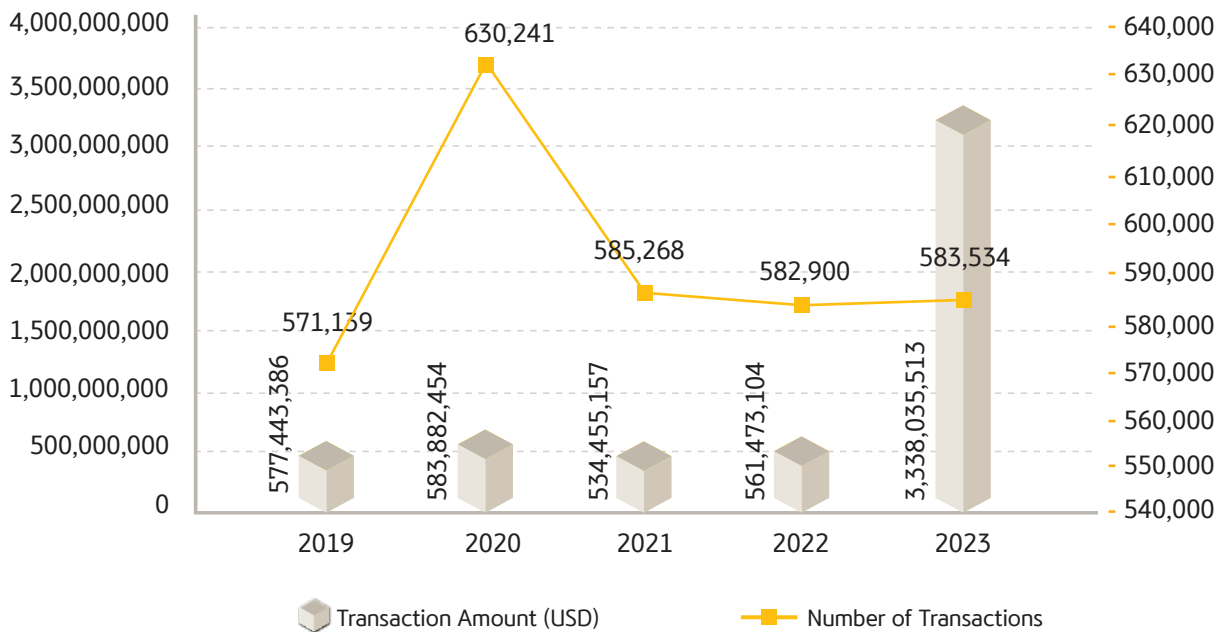
At the end of 2023, the Non-Performing Loans (NPL) ratio was 3.75% and the repayment ratio was 98.26%. The high quality of the loan portfolio was very good thanks to high quality monitoring from all levels of staff (especially credit officers), well-established credit policy and procedures, and clear loan recovery policy. In addition, the FLEXCUBE system can provide fast, accurate data and information to enable staff to monitor, evaluate and analyze loans.

## Savings and Deposits



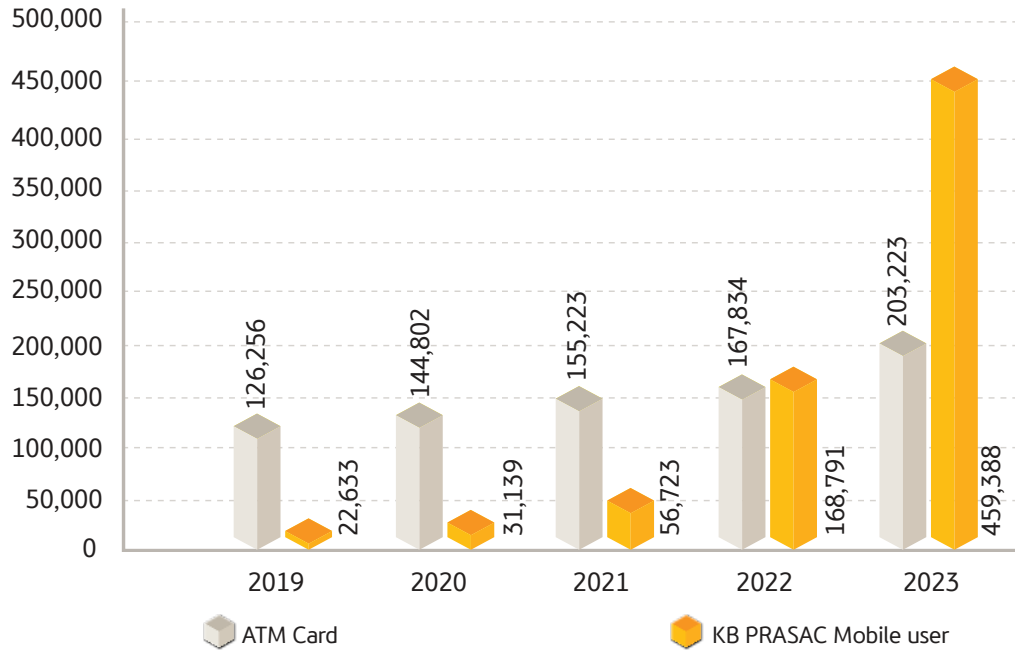
As of December 2023, the total number of depositors was 838,970, an increase of 17.53% over the previous year. The deposit balance was USD3,110,201,229, an increase of 11.99% over the previous year

## Local Money Transfer



Local fund transfers increase USD 3,338 million in 2023, an increase of 494.51% over the previous year.

## ATM and KB PRASAC Mobile



With advancing technology development and strong market demand, the use of ATM services has been increasing year-by-year. Total issued ATM cards for clients increased to 203,223 cards in 2023. At the same time, KB PRASAC Mobile users reached a total of 459,388.

## Pay Water, Electricity, Waste and Tuition Bills

via **KB PRASAC Mobile**

Easily





**NEW**

**Special Interest Rate**



# Merchant Savings Account



 **KB PRASAC Bank**

Scan. Pay. Done.



**SOK THEARA**  
Merchant ID : 000011160XXX

Member of  
**KH@C**  
023 999 911

**5%**  
per annum

- \* This rate offer is valid till 06 September 2024
- \* Terms and Conditions apply

# FINANCIAL PERFORMANCE HIGHLIGHTS

Financial Performance Highlight (Amount in USD)	2019	2020	2021	2022	2023
<b>Statement of Financial Position</b>					
<b>Assets</b>					
Cash and Banks	591,617,799	602,908,514	593,092,862	459,654,505	678,405,033
Net Loan Portfolio	2,468,225,611	2,978,579,934	3,691,567,993	4,296,121,785	4,906,047,296
Other Assets	38,687,660	34,838,097	35,857,294	43,240,560	79,844,386
<b>Total Assets</b>	<b>3,098,531,070</b>	<b>3,616,326,545</b>	<b>4,320,518,149</b>	<b>4,799,016,850</b>	<b>5,664,296,715</b>
<b>Liabilities</b>					
Deposit from Customers	1,835,752,581	2,111,913,760	2,615,212,433	2,777,244,980	3,110,201,229
Borrowings	733,915,161	794,430,317	829,821,864	971,259,425	1,394,794,360
Bonds Payable	–	30,666,038	31,342,099	31,168,428	–
Subordinated Debts	76,840,659	113,667,817	105,191,790	89,677,427	50,804,364
Other Liabilities	42,013,532	46,810,489	64,610,875	74,052,157	53,744,680
<b>Total Liabilities</b>	<b>2,688,521,933</b>	<b>3,097,488,421</b>	<b>3,646,179,061</b>	<b>3,943,402,417</b>	<b>4,609,544,633</b>
<b>Shareholders' Equity</b>					
Share Capital	230,000,000	230,000,000	300,000,000	400,000,000	600,000,000
Reserves	5,737,752	3,613,284	24,738,149	31,872,927	96,491,422
Retained Earnings	174,271,385	285,224,840	349,600,939	423,741,506	358,260,660
<b>Total Shareholders' Equity</b>	<b>410,009,137</b>	<b>518,838,124</b>	<b>674,339,088</b>	<b>855,614,433</b>	<b>1,054,752,082</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>3,098,531,070</b>	<b>3,616,326,545</b>	<b>4,320,518,149</b>	<b>4,799,016,850</b>	<b>5,664,296,715</b>
<b>Statement of Profit or Loss and Other Comprehensive Income</b>					
Total Operating Income	386,195,503	446,208,632	524,008,198	612,642,227	669,868,315
Interest & Fee Expenses	(167,006,393)	(197,427,727)	(208,562,868)	(245,256,710)	(321,762,094)
Operation Expenses	(79,775,763)	(90,838,223)	(107,008,498)	(119,795,183)	(118,114,088)
Net Non-Operating Expenses	(9,966,009)	(22,600,908)	(14,798,810)	(21,496,456)	(120,651,156)
Income Tax Expenses	(25,942,020)	(26,512,787)	(38,137,058)	(44,818,533)	(22,420,393)
<b>Profit After Tax</b>	<b>103,505,318</b>	<b>108,828,987</b>	<b>155,500,964</b>	<b>181,275,345</b>	<b>86,920,584</b>
<b>Key Financial Performance Indicators</b>					
Return on Assets (RoA)	3.79%	3.24%	3.92%	3.98%	1.66%
Return on Equity (RoE)	28.89%	23.43%	26.07%	23.70%	9.10%
Yield on Portfolio	17.08%	15.96%	15.32%	14.97%	14.13%

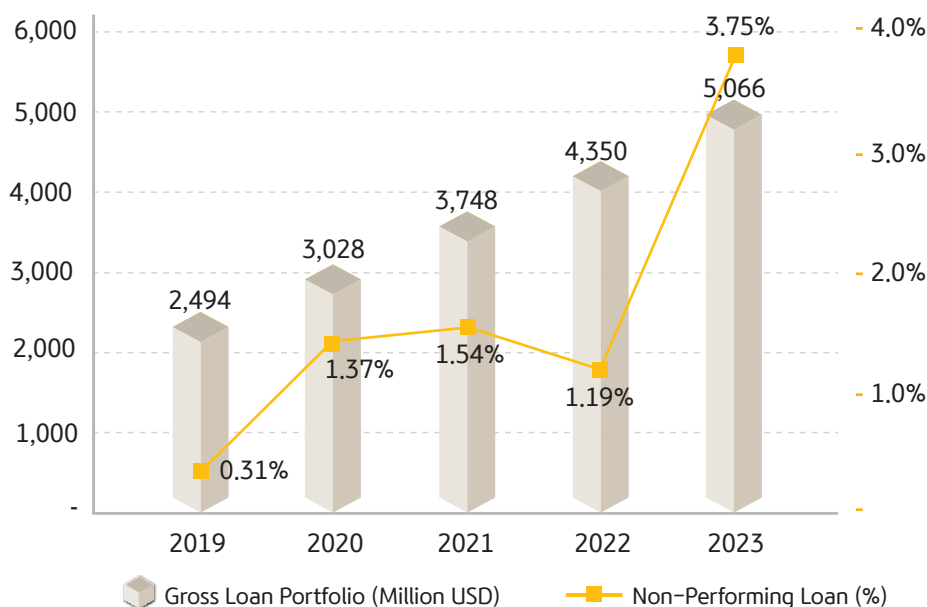


## Productivity and Efficiency

DESCRIPTION	2019	2020	2021	2022	2023
Exchange Rate	4,075	4,045	4,074	4,117	4,085
Gross Loan Portfolio (USD)	2,494,458,503	3,028,193,427	3,748,358,425	4,350,085,163	5,066,477,344
Loan Loss Reserves (USD)	(26,232,892)	(49,613,493)	(56,790,432)	(53,963,378)	(160,430,048)
Net Loan Portfolio (USD)	2,468,225,611	2,978,579,934	3,691,567,993	4,296,121,785	4,906,047,296
Number of Credit Officers	5,668	5,333	5,506	5,594	5,746
Portfolio per Credit Officer (USD)	440,095	567,822	680,777	777,634	881,740
Number of Active Borrowers	417,044	442,833	465,149	502,094	548,810
Active Borrowers per Credit Officer	74	83	84	90	96
Non-Performing Loan*	0.31%	1.37%	1.54%	1.19%	3.75%

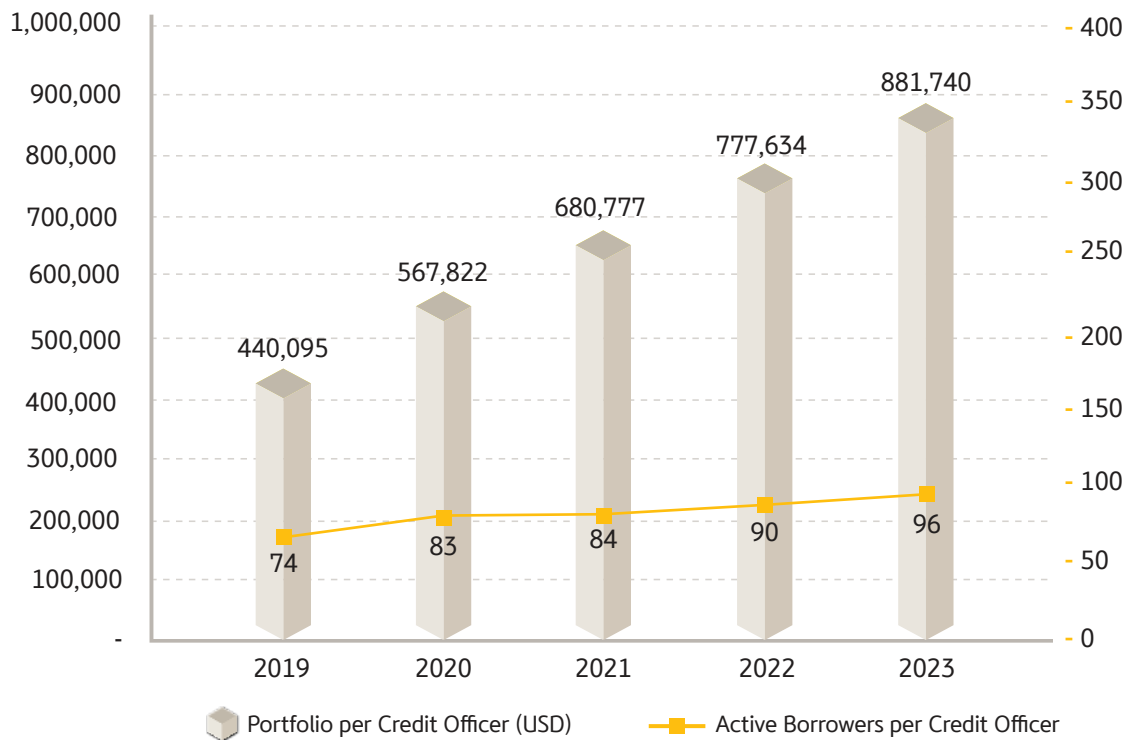
\*NPL ratio was calculated following NBC's definition.

## Gross Loan Portfolio and Portfolio Quality



As of 31 December 2023, gross loan portfolio increased from USD 4,350 million in 2022 to USD 5,066 million in 2023. Non-Performing Loan increased from 1.19% in 2022 to 3.75% in 2023 due to slowdown of economic recovery and prolonged recession in real estate and tourism sector.

## Credit Officer Productivity

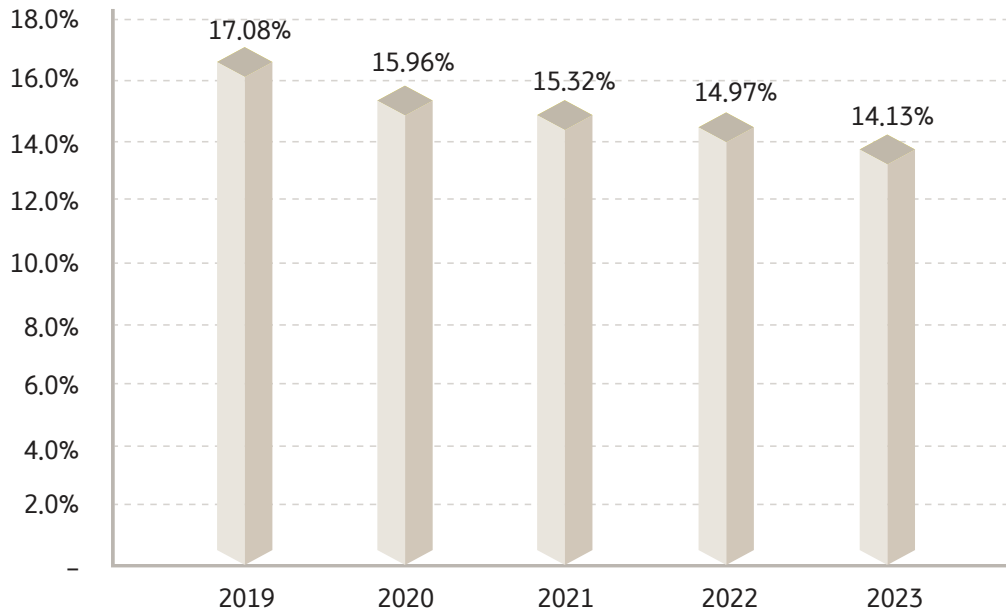


The portfolio per credit officer increased from USD 777,634 in 2022 to USD 881,740 in 2023; and total number of credit officer increased to 5,746 in 2023 as well in order to offer a high level of service to customers.

## Profitability

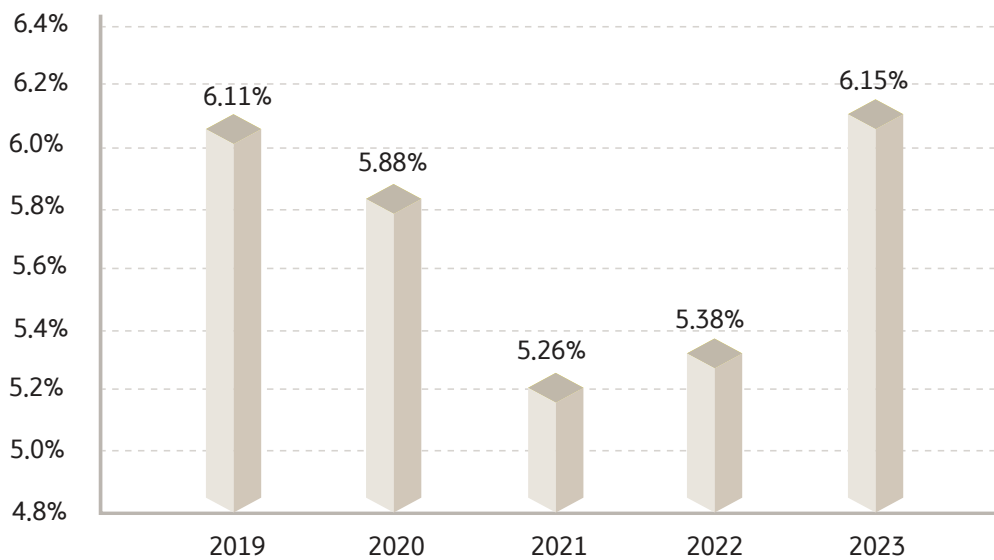
DESCRIPTION	2019	2020	2021	2022	2023
Yield on Portfolio	17.08%	15.96%	15.32%	14.97%	14.13%
Financial Expense Ratio	6.11%	5.88%	5.26%	5.38%	6.15%
Operating Expense Ratio	2.92%	2.71%	2.70%	2.63%	2.26%
Administrative Expense Ratio	0.72%	0.69%	0.57%	0.60%	0.60%
Return on Assets (RoA)	3.79%	3.24%	3.92%	3.98%	1.66%
Return on Equity (RoE)	28.89%	23.43%	26.07%	23.70%	9.10%

## Yield on Portfolio



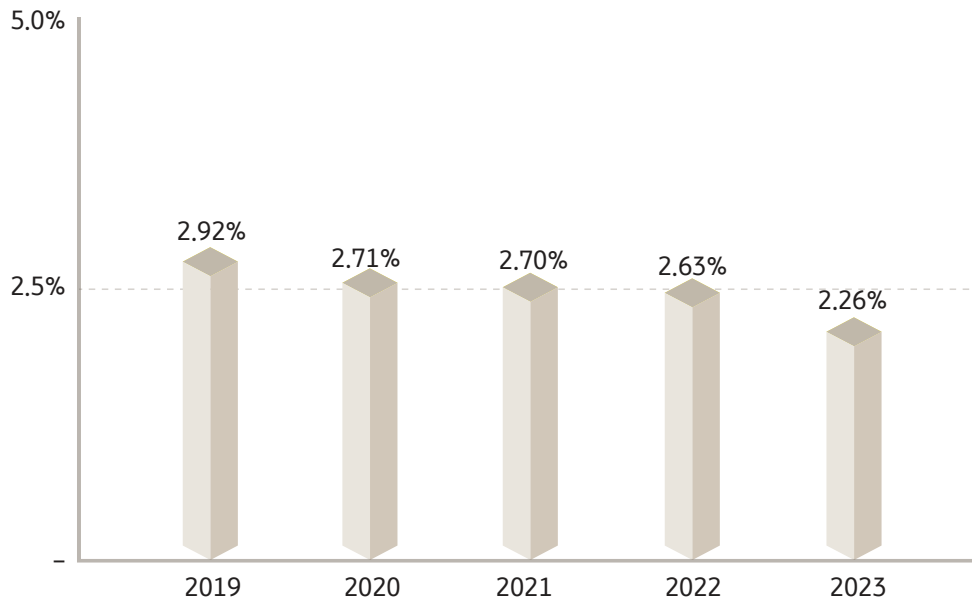
The yield on portfolio has decreased during the recent several years due to the intensified competition in financial market and sharp increase of non-performing loans in 2023. However, KB PRASAC Bank maintained its portfolio yield in the range of 14.13% in 2023.

## Financial Expense Ratio



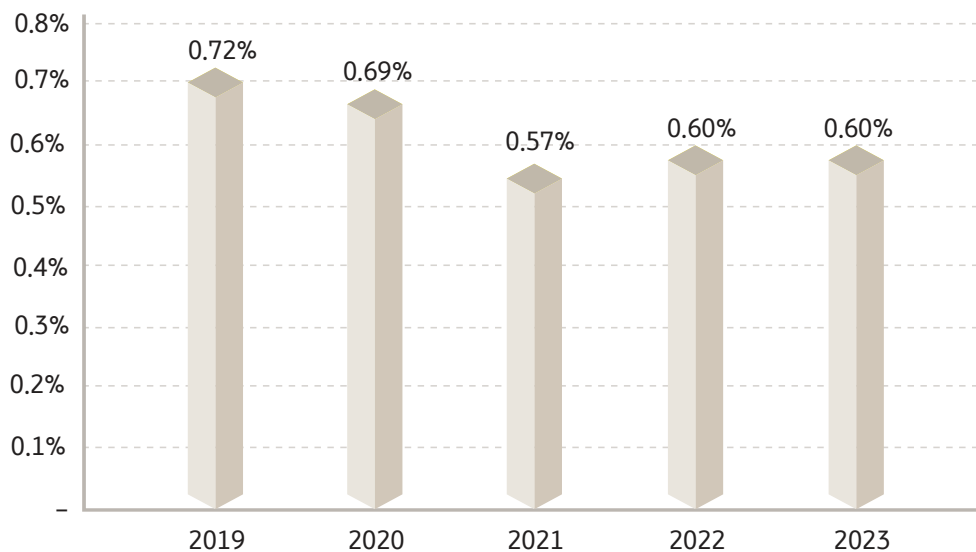
The financial expense ratio increased from 5.38% in 2022 to 6.15% in 2023 due to the increase in interest expenses of borrowing fund and term deposit caused by global interest rate hike. However, the cost of funding is still within manageable level.

## Operating Expense Ratio



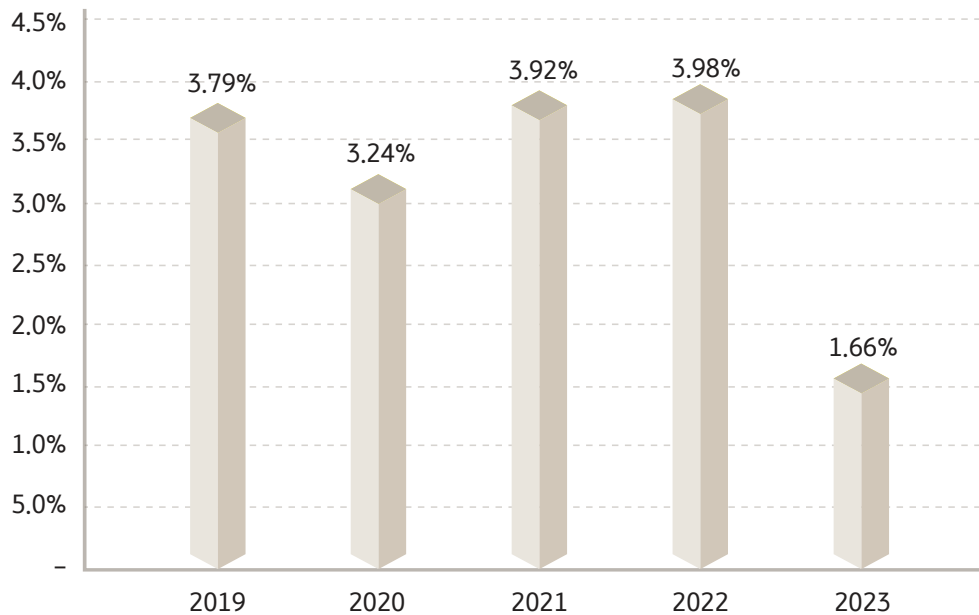
Operating expense ratio continued its downward trend in the recent several years. KB PRASAC Bank has remarkably achieved high efficiency in utilization of assets to support the growth of income earning assets.

## Administrative Expense Ratio



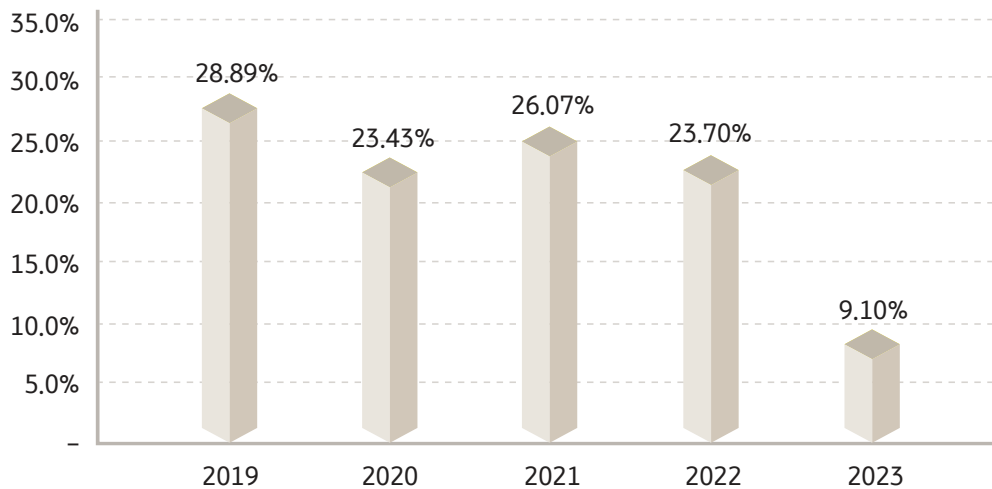
Administrative expense ratio has been stable a 0.60% in 2022 and 2023. It was still a positive indicator for KB PRASAC Bank.

## Return on Assets



Return on assets significantly decreased from 3.98% in 2022 to 1.66% in 2023 due to the deterioration of asset quality in the financial sector. To withstand and build risk resilience, key strategic measures for risk mitigation has been implemented, especially the adoption of very comprehensive provisioning approaches. In 2023, the managements of KB PRASAC Bank have decided to improve new ECL model which recognizes expected credit loss provisioning in a more conservative manner. The Bank has maintained risk coverage ratio at almost 80% which was the highest level compared to other financial institutions. This implementation has enabled us to stabilize the financial position of the Bank as well as to comfort Bank's stakeholders during the difficult time.

## Return on Equity



Return on equity decreased from 23.70% in 2022 to 9.10% in 2023 due to the decrease in net profit from USD 181.3 million in 2022 to USD 86.9 million in 2023 while there was increase in equity in amount of around USD 112 million resulting from the merge with Kookmin Bank Cambodia.

# CAPACITY BUILDING

KB PRASAC has been highly commended for its achievements in the field of banking and finance, under the leadership of the management and the contribution of staff at all levels. In addition, we regularly provide training and capacity building for all employees to enhance their skills and knowledge. KB PRASAC offers a wide range of training programs, including training and orientation for new staff, refresher courses, on-the-job training, special training in both soft and technical skills, branch level training, self-study programs for both inside and outside the country. We also provide opportunities for employees to attend conferences and workshops to develop knowledge through modern technology and the latest trends.

Training Type	Number of Courses	Number of Participations
Trainings for New and Newly Promoted Staff	183	3,093
On-Job Training Program	308	308
Refresher Policy Training	520	13,832
Special Training	140	3,767
Talent Pool Training	54	1,259
Branch Training and Self-Learning Program	31	8,574
In-country Training	53	2,539
Overseas Training	13	108

## Internship and Volunteers

We believe in the professional training of banking for next generation. KB PRASAC also contributes to the development of human resources for society through offering volunteer and internships program for many students. We provide internship opportunities for students to gain experience and learn about banking sector. Our internship program is designed to provide students with real-world experience and mentorship from experienced professionals. In this regards, 60 students (14 groups) were provided with internship opportunities in 2023.



# Transfer between KB PRASAC Accounts

via

**KB PRASAC Mobile**

**Free!**

# 100,000\$

*per day*



# MARKETING ACTIVITIES



Marketing serves as the foundation of any successful business endeavor, driving growth and expansion.

At KB PRASAC Bank, we prioritize a range of marketing activities aimed at fostering institutional development. From comprehensive market research to meticulous product development, effective communication strategies, and attentive customer service, we ensure a holistic approach to catering to our clientele's needs. Through thorough market surveys and feasibility studies, we gain invaluable insights into our target audience, enabling us to tailor our products and services to maximize client satisfaction. To bolster sales, we execute promotional campaigns across traditional mass media and digital platforms, ensuring widespread dissemination of our messaging to engage diverse customer segments. Additionally, our participation in exhibitions and fairs through booth activations facilitates ongoing engagement with our target audience. Through Corporate Social Responsibility initiatives, PR efforts, and events, we strive to fortify the KB PRASAC brand in the minds of our customers.

We maintain an unwavering commitment to listening to our customers, welcoming inquiries, requests, and feedback with open arms. Our core values of "Speed, Care, Clean" underscore our dedication to providing exemplary customer service, while our loyalty programs aim to cultivate lasting relationships with existing clients and attract new ones.





# EVENT HIGHLIGHTS

## January



- PRASAC updated its Mobile Banking App version 3.2.2.
- PRASAC inaugurates a new library in Preah Netr Preah district, Banteay Meanchey province.
- PRASAC had a library building constructed in Tuol Kandaol Primary and Secondary School in Tbong Khmum province.

## February

- PRASAC offers special interest rate of Term Deposit Account up to 8.50% per annum.

## March

- PRASAC named as the 4th Largest Taxpayer in 2022.
- PRASAC sponsors National Reading Day to foster reading culture.
- PRASAC congratulates Riel Day, the 43rd Anniversary of the Reintroduction of the Riel.
- PRASAC inaugurates a new library in in Kdol Chrum village, Kampong Krasang commune, Borei Chulsa district, Takeo province.

## April

- PRASAC has donated 200 million Riel to Cambodian Red Cross (CRC) in the celebration of the 160th Anniversary of World Red Cross and Red Crescent Day on 8 May 2023.



- PRASAC launched its new instant digital account that customers can open via PRASAC Mobile Banking app.
- PRASAC named as the 2nd Corporate Income Largest Taxpayer in 2022.

## May

- PRASAC has opened 2 new branches namely Veal Veng & Trapeang Andoeuk branch.
- PRASAC has launched waste bill payment service of Viphou Phopudh Utility Co., Ltd in Oddar Meanchey province via PRASAC Mobile Banking for free of charge, every time and everywhere.

## June

- PRASAC and Kookmin Bank Cambodia waives fee charge on CSS, allowing customers to withdraw cash from both institutions' ATMs without fee charge.

## July

- KB PRASAC has offered special interest rate up to 4% per annum for Digital Account which customer can open instantly via KB PRASAC Mobile.

August



- KB PRASAC is officially announced and launched following the merger between PRASAC Microfinance Institution Plc. (“PRASAC MFI”) and Kookmin Bank Cambodia Plc. (“KBC”).
- KB PRASAC, has cooperated with Bill24 Co., Ltd. to launch bill payment service, allowing the Bank’s customers to pay bills of 21 private-owned electricity and water companies nationwide via KB PRASAC Mobile.
- KB PRASAC offered Cashback promotion, allowing customers to get 5% cashback when using KB PRASAC Mobile to scan and pay via KB PRASAC KHQR.

- KB PRASAC introduced “Smart Data Sponsored” feature that allows Smart carrier user to use KB PRASAC Mobile as normal although their phone has no balance or out of internet data.

September

- KB PRASAC sponsored the 3rd SME and Financial Night 2023, organized by Association of Banks in Cambodia, Cambodia Microfinance Association and Young Entrepreneurs Association of Cambodia.

October

- KB PRASAC congratulated the 44th Anniversary of Re-establishment of National Bank of Cambodia.
- KB PRASAC participated in promoting and cultivating savings habit during the occasion of ASEAN Savings Day in Kampong Thom province.
- KB PRASAC Mobile was added with data sponsor feature for Metfone network, allowing user to use the app as normal although their phone has no balance or out of internet data.

November

- KB PRASAC joined the National Career and Productivity Fair 2023 at Koh Pich.



# Open Digital Account

via

**KB PRASAC Mobile**

by Yourself



High Interest Rate

Up to

**4%**  
p.a.

- \* Account Balance > USD 10,000
- \* For full KYC clients only
- \* Terms and Conditions apply

Scan-Download  
KB PRASAC Mobile



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE

## ESG Dashboards

INDICATORS	2019	2020	2021	2022	2023
<b>Governance</b>					
Number of Board Members	7	9	6	7	7
Number of Independent Directors	2	3	3	3	3
Audit Committee (% of Independent Director)	33%	40%	75%	75%	75%
Risk Committee (% of Independent Director)	25%	33%	75%	75%	75%
Remuneration and Nomination Committee (% of Independent)	33%	20%	75%	75%	75%
Number of Executive Management	5	7	5	8	10
Environmental, Social and Governance Policy	Environmental, Social and Governance Policy is in place				
<b>Human Resources Management</b>					
Total Staff	9,091	9,042	9,330	9,573	10,224
Number of Women Staff	1,674	1,842	1,948	2,037	2,325
Number of Management	286	308	322	312	338
Number of Management as Women	16	22	26	24	32
Number of Credit Officers	5,668	5,333	5,506	5,594	5,746
Number of Staff Trained	58,151	9,992	6,242	18,463	33,480
Benefits	Medical Program, Health and Accident Insurance, Maternity Benefit, NSSF, etc.				
Number of Staff Employed for ≥ 1 Year	6,662	8,004	8,269	8,643	9,179
Number of Staff Exits	1,542	1,444	875	806	789
<b>Financial Inclusion</b>					
Total Loan Portfolio (USD)	2,494,458,503	3,028,193,427	3,748,358,425	4,350,085,163	5,066,477,344
Group Loan Portfolio (USD)	643,968	377,042	178,644	101,891	43,803
Non-Income Generation Loan Portfolio (USD)	917,759,272	1,076,311,574	1,312,960,614	1,604,608,142	2,004,981,283
Educational Loan Portfolio (USD)	682,024	581,335	472,555	1,028,170	1,734,000
Home Improvement Portfolio (USD)	258,272,787	346,941,003	453,670,525	580,109,380	719,774,489
MSME Loan Portfolio (USD)	2,493,901,368	3,027,671,850	3,747,777,989	4,343,929,301	4,696,798,258
Deposit Balance (USD)	1,835,752,581	2,111,913,760	2,615,212,433	2,777,244,980	3,110,201,229
Total Number of Depositors	600,204	627,188	660,976	713,811	838,970
Total Number of Borrowers	417,044	442,833	465,149	502,094	548,810
Number of Borrowers as Women	332,372	348,435	362,630	389,769	422,527
Number of Borrowers in Rural Areas	374,218	397,547	419,339	455,099	496,978
Number of Individual Borrowers	415,793	441,836	464,681	501,846	548,701
Number of Borrowers as MSME	409,021	442,714	465,111	501,993	544,070
Number of New Borrowers	88,481	92,460	80,589	94,252	64,414
Number of Branch Offices	180	182	182	182	192
Number of Branch Offices in Rural Areas	143	134	134	132	135
Number of ATMs and CDMs	135	141	141	163	239
Number of KB PRASAC Mobile Users	22,633	31,139	56,723	168,791	459,388
Volume of KB PRASAC Mobile Transactions (USD)	12,498,987	39,577,146	89,597,696	198,509,880	330,862,884

## Social Responsibility to Clients

Customer Centric	Comply with Universal Standards for Social and Environmental Performance Management & Client Protection Standards				
Expense for Calamity Program (USD)	7,047	6,349	5,457	5,574	5,696
Total Number of Complaints Received	263	461	479	612	694
Percentage of Client Complaints Resolved	88%	93%	98%	99%	100%
Client Retention Rate	86.23%	86.91%	87.79%	89.76%	96.88%

## Social Responsibility to Communities

Library Project (Building)	40	41	42	44	45
Number of Library Users as Students	109,151	141,005	141,265	170,787	171,102
Total Expense for Social Activities (USD)	466,986	707,271	213,285	319,110	786,369

## Environmental Responsibility

Fuel Consumption (USD/FTE)	362	422	412	457	483
Electricity Consumption (USD/FTE)	125	137	122	126	138
Amount of Green Loans Disbursement (USD)	Not Measured	Not Measured	51,809,860	1,224,944	42,077,134
Number of Green Loans Disbursement	Not Measured	Not Measured	4,944	325	2,192
Loan Outstanding in Exclusion Area	0.0%	0.0%	0.0%	0.0%	0.0%
Loan Outstanding in ADB Financing Exclusion	n/a	n/a	n/a	n/a	0.0%
Loan Outstanding in Standard E&S Risk Categorization	72.2%	69.1%	77.1%	59.1%	28.6%
Loan Outstanding in Low E&S Risk Categorization	25.0%	27.6%	20.9%	38.8%	70.1%
Loan Outstanding in Moderate E&S Risk Categorization	2.8%	3.2%	2.0%	2.1%	1.3%
Loan Outstanding in High E&S Risk Categorization	0.0%	0.0%	0.0%	0.0%	0.0%



## Financial Context

INDICATORS	2019	2020	2021	2022	2023
Total Assets	3,098,531,070	3,616,326,545	4,320,518,149	4,799,016,850	5,664,296,715
Return on Assets	3.79%	3.24%	3.92%	3.98%	1.66%
Return on Equity	28.89%	23.43%	26.07%	23.70%	9.10%
Operating Expense Ratio (as a % of assets)	2.92%	2.71%	2.70%	2.63%	2.26%
Financial Expense Ratio (as a % of assets)	6.11%	5.88%	5.26%	5.38%	6.15%
Operational Self-Sufficiency	150.81%	143.16%	158.66%	159.50%	119.14%
Yield on Portfolio	17.08%	15.96%	15.32%	14.97%	14.13%
Write-Offs During the Period	0.44%	0.00%	0.22%	0.49%	0.49%
Loan Loss Expense Ratio	0.34%	0.70%	0.37%	0.42%	2.35%

## KB PRASAC Bank Plc. Contributes to Promoting Reading Culture through Library Project



## Board of Director's Oversight

KB PRASAC Bank's Board of Directors provided approval on the Environmental, Social and Governance policy which covers Environmental and Social Risk Management of lending and internal operations to meet the vision and mission of the bank.

## Executive Management's Role

KB PRASAC Bank has assigned an Environmental and Social Committee which consists of members from executive management and senior management to be responsible for managing Environmental and Social Risk.

## Social Responsibility

KB PRASAC Bank acknowledges its role and responsibilities in the protection of employees, clients, and communities by following the performance standards below:

- KB PRASAC Bank treats staff fairly and responsibly.
- KB PRASAC Bank develops and offers products, services, and designs distribution channels that meet the clients' needs. In addition, the bank treats clients responsibly for delivering products and services.
- KB PRASAC Bank concerns and takes action to avoid or minimize the impacts on health, safety, and working conditions, land acquisition, and involuntary resettlement of communities as well as indigenous people.

## Environmental Responsibility

KB PRASAC Bank concerns the adverse impacts of its internal activities on the environment and the vulnerability to climate change related to the following issues:

- Biodiversity Conservation
- Resource Efficiency and Pollution Prevention
- Climate Change Mitigation and Adaptation

## Environmental and Social Exclusion List

1. Production or activities involving hazardous labor, forced labor, or child labor.
2. Production or trade in weapons and munitions.

3. Gambling, casinos, pornography, and equivalent enterprises.
4. Trade in wildlife or wildlife products regulated under the laws.
5. Production or trade in radioactive materials excluding medical equipment, quality control (measurement) equipment, and any equipment where KB PRASAC Bank considers the radioactive source to be trivial and/or adequately shielded.
6. Production or trade in any product or activity deemed illegal under the laws or regulations of Cambodia or international conventions and agreements or international bans such as pesticides, ozone-depleting substance herbicides, products containing PCBs, wildlife products regulated under CITES.
7. Production or trade in products subject to international phase-outs or bans of which KB PRASAC Bank is aware officially.
8. Production or service that significantly impacts the environment subject to bans by Cambodian laws.
9. Activities deemed illegal under the laws or regulations of Cambodia or international conventions and agreements.
10. Production or trade in wood or other forestry products from unmanaged forests.
11. Production or trade in tobacco.
12. Production or trade in alcoholic beverages (excluding beer and wine).
13. Production or trade in or use of unbounded asbestos fibers. This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.
14. Commercial logging operations for use in primary tropical moist forest.
15. Production, trade, storage, or transport of significant volumes of hazardous chemicals or commercial scale usage of hazardous chemicals. Hazardous chemicals include gasoline, kerosene, and other petroleum products.

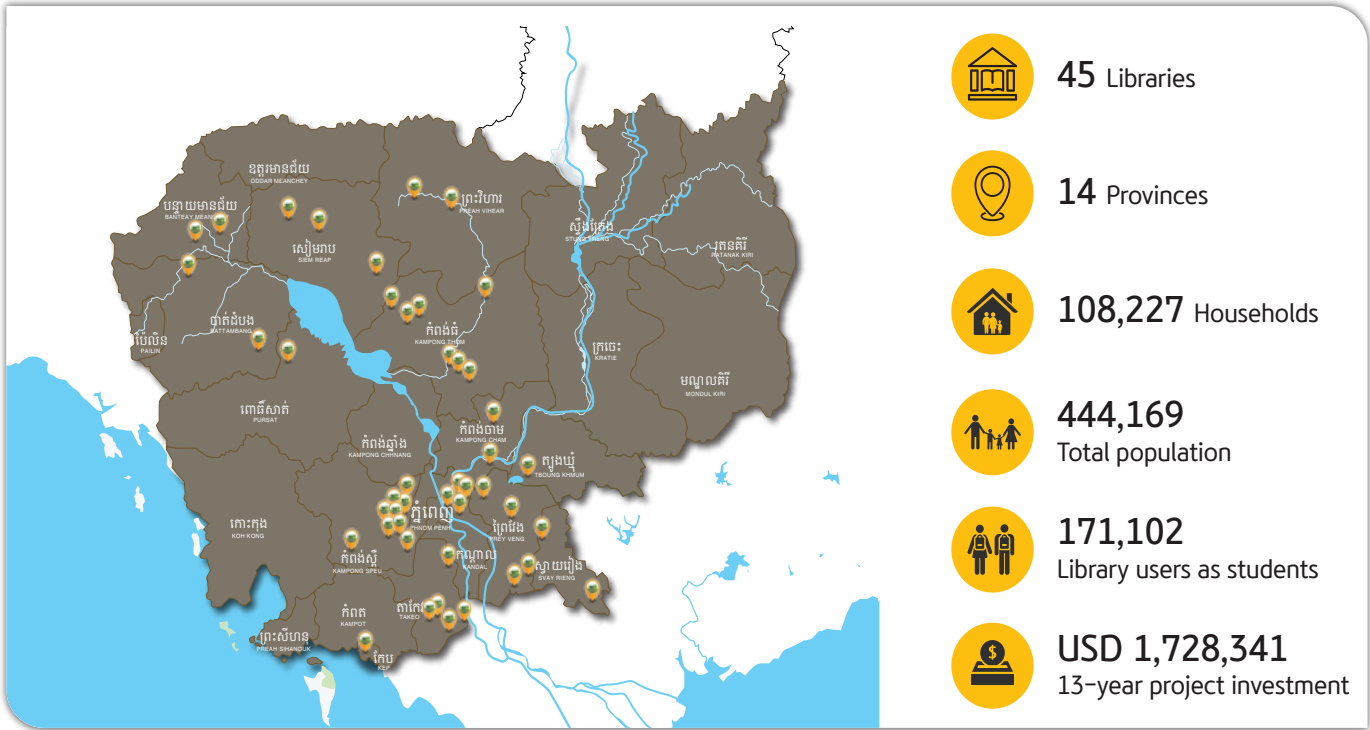
- 16. Production or trade in pharmaceuticals subject to international phase-outs or bans.
- 17. Drift net fishing in the marine environment using nets over 2.5 Km in length.
- 18. Production or activities that impinge on the lands owned or land acquisition or other property or claimed under adjudication, by indigenous or non-peoples, without full documented consent of such peoples.

- 19. Production or activities of disseminating anti-democratic or racial discrimination information.
- 20. Trans boundary trade in waste or waste products.
- 21. Support for new coal mining project or expansion of existing coal mining businesses.
- 22. Support for building of new coal power plants or expansion of existing coal power plants.





# Corporate Social Responsibility



**USD 81,220** In 2023, KB PRASAC Bank constructed a 5-room school building with dimensions 9 m width by 40 m length at O'Toek Thla Primary School, Kampong Thom province.

**USD 51,933**  
Total amount as of 2023 For the reporting period 2023, KB PRASAC Bank provided a total of USD 5,696 in emergency relief to clients affected by natural disasters, calamities, and accidents.

**USD 658,542**  
Total amount in 2023

- Donated to Cambodian Red Cross.
- Purchased student learning materials.
- Co-funded for promoting financial inclusion.
- Co-funded for promoting Khmer Riel.
- Co-funded for the National Reading Day.
- Donated funds for the scholarship program.
- Funded to the community for constructing school building and infrastructure.

## KB PRASAC's Client Household Income

Annual Household Income *	2021	2022	2023*
Low Income (less than USD 4,670)	0.52%	4.95%	7.81%
Lower-Middle Income (USD 4,670 to less than USD18,301)	33.85%	52.60%	55.47%
Upper-Middle Income (USD 18,301 to less than USD 56,786)	41.67%	28.39%	24.48%
High-Income (From USD 56,786)	23.96%	14.06%	12.24%

\* Complied with the World Bank Country Classifications by Income Level: 2022-2023

# INTERNAL CONTROL

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Internal control is fundamental to successful day-to-day operations. It assists the institution in achieving its business objectives. Weak or ineffective internal control has caused losses in many financial institutions.

The Internal control system is a series of actual processes, rather than a physical structure, and it is actively implemented across the company wide. Various policies and procedures aiming to ensure the effectiveness of risk management and internal control system have been already officially approved by the Board of Directors.

The Risk Management Division and the Compliance Department which are the second line of defense of the risk management and internal control framework have been already separately established and placed under the Board Risk Management Committee which is chaired by an independent board member in order to ensure the independence of those functions.

The Internal Audit Department which is the third line of defense of the risk management and internal control framework of the company has been also established since 2001 with clear roles and responsibilities for providing independent appraisals on the adequacy, efficiency and effectiveness of the internal control systems implemented by management. The department is placed under the Board Audit Committee which is also chaired by another independent member of the board. The internal audit department complies with National Bank of Cambodia's Prakas on "the internal control of bank and financial institutions" regarding the organization of internal audits, the objectives of the internal audit function, audit resources, methodologies, and procedures. In addition, the department conducts audits in accordance with the International Standards for the Professional Practice of Internal Auditing.

A proper segregation of duties and conflict of interest framework has been designed and applied to every part of organization's activities, especially in business division which is the first line of defense of the risk management and internal control framework. Policies and procedures are embedded in the internal control system to prevent risks. Every staff member takes responsibility to obey and apply the internal control policies and procedures. At the same time, they must communicate upwards about any problems of non-compliance or policy violations. All employees have the responsibility for managing KB PRASAC's risks. Executive Management, Department Managers, Regional Managers, Branch Managers and all staff implement internal controls and manage risks occurring during day-to-day operations.

At the end of 2023, Internal Audit Department has 122 professional staff, 110 of whom are in regional/branch offices. The department may rotate work locations of regional audit staff anytime if the manager of internal audit department is concerned about the effectiveness of audit work and/or a conflict of interest. Regional Auditors regularly review the quality of loan portfolios, quality of customer services, cash management, fund transfers, deposit and withdrawal transactions and the general expenses of the branch.

In 2023, we completed 1,546 assignments covering audits of all key operations and investigations into specific areas. Regional Auditors have conducted client home visits for 88,335 accounts, equal to 14.32% of total loan accounts, to assess the quality of outstanding loans, to confirm loan outstanding balance and to verify that loan disbursement complies with the prescribed policies, Client Protection Standard's and Universal Standards for Social and Environmental Performance Management.

# Phone Top-Up

via **KB PRASAC Mobile**

 CooTel

Free!

 Smart

 metfone



 cellcard

# INDEPENDENT AUDITOR'S REPORT

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The accompanying audited financial statements are partially extracted and reformatted from the whole audited financial statements. This should be read in conjunction with the annual audited financial statements for the year ended 31 December 2023.



## **Independent auditor's report**

To the Shareholder of the KB PRASAC Bank Plc.

### **Our opinion**

In our opinion, the financial statements (financial statements) present fairly, in all material respects, the financial position of KB PRASAC Bank Plc. (the Bank) as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with Cambodian International Financial Reporting Standards (CIFRS).

#### *What we have audited*

The Bank's financial statements comprise:

- the statement of financial position as at 31 December 2023;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year ended; and
- the notes to the financial statements, which include material accounting policy information and other explanatory information.

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

#### *Independence*

We are independent of the Bank in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the Kampuchea Institute of Certified Public Accountants and Auditors' Code of Ethics for Certified Public Accountants and Auditors (KICPAA Code) that are relevant to our audit of the financial statements in Cambodia. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the KICPAA Code.



### **Other information**

The management is responsible for the other information. The other information comprises director's report and the supplementary financial information required by the National Bank of Cambodia, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with CIFRS, 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 Bank'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 Bank or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CISAs, we exercise professional judgment and maintain professional scepticism 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 Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank'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 Bank 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.

For PricewaterhouseCoopers (Cambodia) Ltd.



By Kuy Lim  
Partner

Phnom Penh, Kingdom of Cambodia  
29 March 2024

# STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Notes	31 December 2023		31 December 2022	
		US\$	KHR'000	US\$	KHR'000
<b>ASSETS</b>					
Cash on hand	4	114,593,282	468,113,557	127,423,827	524,603,896
Deposits and placements with the National Bank of Cambodia	5	545,984,865	2,230,348,174	326,284,541	1,343,313,455
Deposits and placements with other banks	6	17,826,886	72,822,829	5,946,137	24,480,246
Loans and advances to customers	7	4,906,047,296	20,041,203,204	4,296,121,785	17,687,133,389
Financial assets at FVOCI		53,755	219,589	28,167	115,964
Property and equipment	8	13,823,702	56,469,823	4,786,735	19,706,988
Right-of-use assets	9	19,562,109	79,911,215	18,483,310	76,095,787
Intangible assets	10	16,480,293	67,321,997	1,079,327	4,443,589
Deferred tax assets	11	21,708,495	88,679,202	14,516,880	59,765,995
Other assets	12	8,216,032	33,562,491	4,346,141	17,893,062
<b>TOTAL ASSETS</b>		<b>5,664,296,715</b>	<b>23,138,652,081</b>	<b>4,799,016,850</b>	<b>19,757,552,371</b>
<b>LIABILITIES AND EQUITY</b>					
<b>LIABILITIES</b>					
Deposits from banks and other financial institutions	13	109,827,245	448,644,296	50,037,118	206,002,815
Deposits from customers	14	3,000,373,984	12,256,527,725	2,727,207,862	11,227,914,768
Borrowings	15	1,394,794,360	5,697,734,961	971,259,425	3,998,675,053
Debts securities issued	16	-	-	31,168,428	128,320,418
Lease liabilities	9	19,922,591	81,383,784	18,973,227	78,112,776
Income tax payable	17	22,538,754	92,070,810	41,048,919	168,998,400
Provision for employee benefits	18	411,731	1,681,921	1,031,425	4,246,377
Other liabilities	19	10,871,604	44,410,502	12,998,586	53,515,176
Subordinated debts	20	50,804,364	207,535,827	89,677,427	369,201,967
<b>TOTAL LIABILITIES</b>		<b>4,609,544,633</b>	<b>18,829,989,826</b>	<b>3,943,402,417</b>	<b>16,234,987,750</b>
<b>EQUITY</b>					
Share capital	21	600,000,000	2,400,000,000	400,000,000	1,600,000,000
Reserve	35	91,944,796	367,779,184	-	-
Retained earnings		358,260,660	1,492,163,210	423,741,506	1,742,202,594
Regulatory reserve	22	4,546,626	18,068,117	31,872,927	129,696,057
Translation adjustments		-	30,651,744	-	50,665,970
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>1,054,752,082</b>	<b>4,308,662,255</b>	<b>855,614,433</b>	<b>3,522,564,621</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>5,664,296,715</b>	<b>23,138,652,081</b>	<b>4,799,016,850</b>	<b>19,757,552,371</b>

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	For the year ended 31 December 2023		For the year ended 31 December 2022	
		US\$	KHR'000	US\$	KHR'000
Interest income	23	667,712,623	2,744,298,881	606,766,278	2,479,853,778
Interest expense	23	(319,087,361)	(1,311,449,054)	(245,638,068)	(1,003,922,784)
<b>Net interest income</b>		<u>348,625,262</u>	<u>1,432,849,827</u>	<u>361,128,210</u>	<u>1,475,930,994</u>
Fee and commission income	24	1,824,999	7,500,746	682,171	2,788,033
Fee and commission expense	24	(2,674,733)	(10,993,153)	(1,516,730)	(6,198,876)
<b>Net fee and commission income</b>		<u>(849,734)</u>	<u>(3,492,407)</u>	<u>(834,559)</u>	<u>(3,410,843)</u>
Other income	25	330,693	1,359,147	1,034,510	4,228,043
Grant income		-	-	933,070	3,813,457
Gains/(losses)		2,451,712	10,076,537	(3,133,423)	(12,806,300)
<b>Total other operating income</b>		<u>350,557,933</u>	<u>1,440,793,104</u>	<u>359,127,808</u>	<u>1,467,755,351</u>
Credit impairment losses	26	(123,102,868)	(505,952,787)	(14,899,246)	(60,893,219)
<b>Net other operating income</b>		<u>227,455,065</u>	<u>934,840,317</u>	<u>344,228,562</u>	<u>1,406,862,132</u>
Personnel expenses	27	(86,743,642)	(356,516,369)	(92,965,159)	(379,948,605)
Depreciation and amortisation charges	28	(7,696,640)	(31,633,190)	(6,781,962)	(27,717,879)
Other operating expenses	29	(23,673,806)	(97,299,343)	(18,387,563)	(75,149,970)
<b>Profit before income tax</b>		<u>109,340,977</u>	<u>449,391,415</u>	<u>226,093,878</u>	<u>924,045,678</u>
Income tax expense	30(a)	(22,420,393)	(92,147,815)	(44,818,533)	(183,173,344)
<b>Profit for the year</b>		<u>86,920,584</u>	<u>357,243,600</u>	<u>181,275,345</u>	<u>740,872,334</u>
<b>Other comprehensive income:</b> <i>Items that will not be reclassified to profit or loss</i>					
Currency translation differences		-	(20,014,226)	-	34,434,842
Other comprehensive income for the year, net of tax		-	(20,014,226)	-	34,434,842
<b>Total comprehensive income for the year</b>		<u>86,920,584</u>	<u>337,229,374</u>	<u>181,275,345</u>	<u>775,307,176</u>
<b>Profit attributable to:</b>					
Owners of the Bank		<u>86,920,584</u>	<u>337,243,600</u>	<u>181,275,345</u>	<u>740,872,334</u>
<b>Total comprehensive income attributable to:</b>					
Owners of the Bank		<u>86,920,584</u>	<u>337,229,374</u>	<u>181,275,345</u>	<u>775,307,176</u>



# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Attributable to owners of the Bank											
	Share capital		Reserves		Retained earnings		Regulatory reserves		Translation adjustments		Total	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
<b>Balance at 1 January 2022</b>	300,000,000	1,200,000,000	-	-	349,600,939	1,430,490,088	24,738,149	100,536,219	-	16,231,128	674,339,088	2,747,257,445
Profit for the year	-	-	-	-	181,275,345	740,872,334	-	-	-	-	181,275,345	740,872,334
Transfer to regulatory reserve	-	-	-	-	(7,134,778)	(29,159,838)	7,134,778	29,159,838	-	-	-	-
Other comprehensive income – currency translation differences	-	-	-	-	-	-	-	-	-	34,434,842	-	34,434,842
<b>Total comprehensive income for the year</b>	300,000,000	1,200,000,000	-	-	523,741,506	2,142,202,594	31,872,927	129,696,057	-	50,665,970	855,614,433	3,522,564,621
<b>Transactions with owners in their capacity as owners:</b>												
Capitalization of retained earnings	100,000,000	400,000,000	-	-	(100,000,000)	(400,000,000)	-	-	-	-	-	-
<b>Total transactions with owners</b>	100,000,000	400,000,000	-	-	(100,000,000)	(400,000,000)	-	-	-	-	-	-
<b>Balance at 31 December 2022</b>	400,000,000	1,600,000,000	-	-	423,741,506	1,742,202,594	31,872,927	129,696,057	-	50,665,970	855,614,433	3,522,564,621
<b>Balance at 1 January 2023</b>	400,000,000	1,600,000,000	-	-	423,741,506	1,742,202,594	31,872,927	129,696,057	-	50,665,970	855,614,433	3,522,564,621
Profit for the year	-	-	-	-	86,920,584	357,243,600	-	-	-	-	86,920,584	357,243,600
Transfer from regulatory reserve	-	-	-	-	27,326,301	111,627,940	(27,326,301)	(111,627,940)	-	-	-	-
Other comprehensive income – currency translation differences	-	-	-	-	-	-	-	-	-	(20,014,226)	-	(20,014,226)
<b>Total comprehensive income for the year</b>	400,000,000	1,600,000,000	-	-	537,988,391	2,211,074,134	4,546,626	18,068,117	-	30,651,744	942,535,017	3,859,793,995
<b>Transactions with owners in their capacity as owners:</b>												
Merger with Kookmin Bank Cambodia Plc. (Note 35)	20,272,269	81,089,076	91,944,796	367,779,184	-	-	-	-	-	-	112,217,065	448,868,260
Capitalization of retained earnings	179,727,731	718,910,924	-	-	(179,727,731)	(718,910,924)	-	-	-	-	-	-
<b>Total transactions with owners</b>	200,000,000	800,000,000	91,944,796	367,779,184	(179,727,731)	(718,910,924)	-	-	-	-	112,217,065	448,868,260
<b>Balance at 31 December 2023</b>	600,000,000	2,400,000,000	91,944,796	367,779,184	358,260,660	1,492,163,210	4,546,626	18,068,117	-	30,651,744	1,054,752,082	4,308,662,255

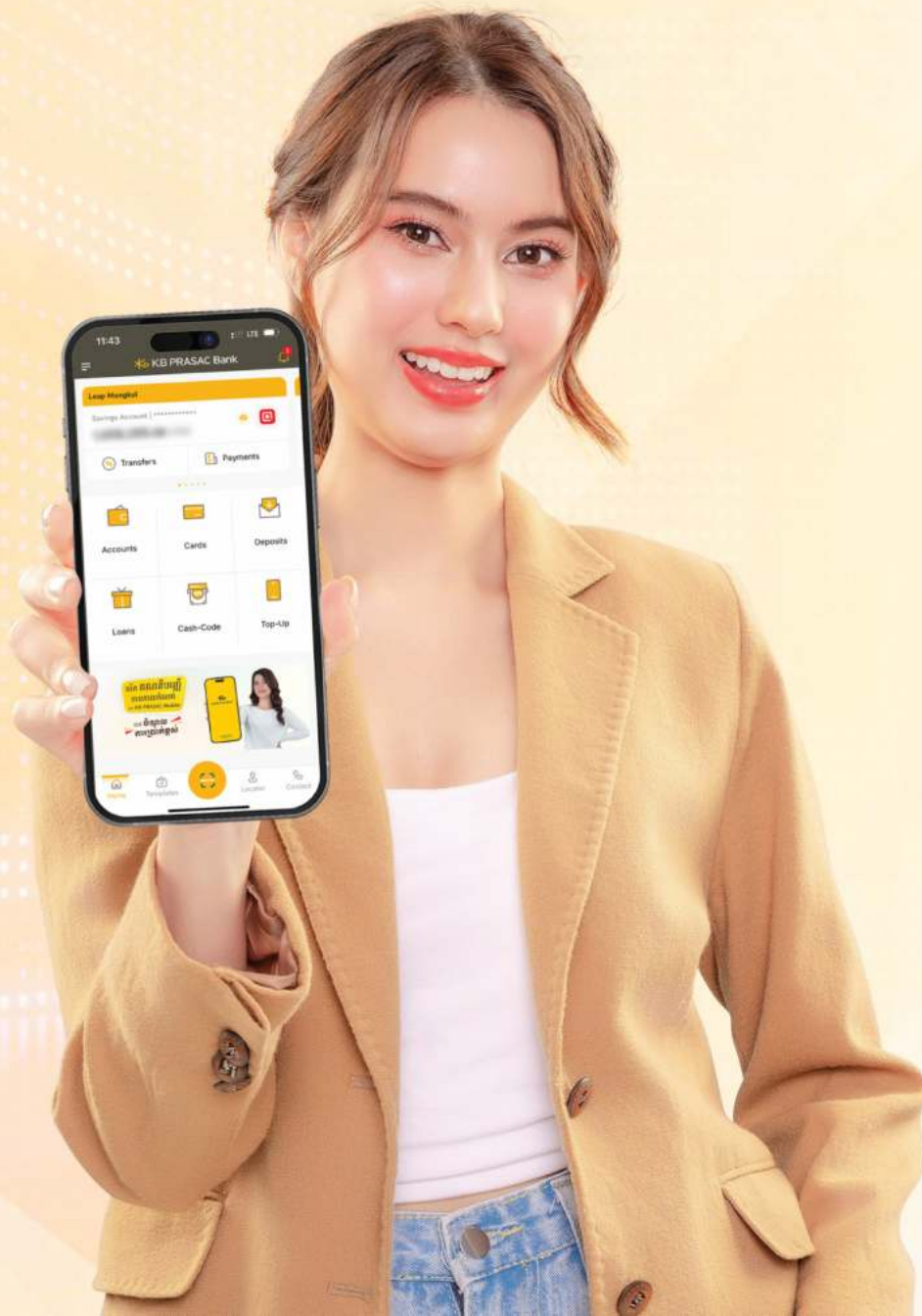
# STATEMENT OF CASH FLOWS

for the year ended 31 December 2023

Notes	For the year ended 31 December 2023		For the year ended 31 December 2022		
	US\$	KHR'000	US\$	KHR'000	
<b>Cash flows from operating activities</b>					
Cash used in operations	32(a)	(304,664,103)	(1,252,169,464)	(600,800,232)	(2,455,470,548)
Interest received		659,728,719	2,711,485,035	602,365,418	2,461,867,462
Interest paid		(285,991,632)	(1,175,425,608)	(235,049,874)	(960,648,835)
Income tax paid	17	(47,241,948)	(194,164,406)	(40,712,538)	(166,392,143)
Employee benefits paid		(4,825,789)	(19,833,993)	(4,115,527)	(16,820,159)
<b>Net cash used in operating activities</b>		<u>17,005,247</u>	<u>69,891,564</u>	<u>(278,312,753)</u>	<u>(1,137,464,223)</u>
<b>INVESTING ACTIVITIES</b>					
Purchases of property and equipment	8	(10,594,631)	(43,543,933)	(2,042,693)	(8,348,486)
Purchases of intangible assets	10	(15,557,472)	(63,941,210)	(16,800)	(68,662)
Proceeds from disposals of property and equipment		-	-	110,688	452,382
Placement with NBC		-	-	(919,122)	(3,756,452)
Placements with other banks		-	-	-	-
Proceeds from investment in NCD		(5,521,662)	(22,694,031)	521,990	2,133,373
Collections from investment in NCD		545,316	2,241,249	-	-
Capital guarantee deposits		(27,500,000)	(113,025,000)	(10,000,000)	(40,870,000)
<b>Net cash used in investing activities</b>		<u>(58,628,449)</u>	<u>(240,962,925)</u>	<u>(12,345,937)</u>	<u>(50,457,845)</u>
<b>Cash flows from financing activities</b>					
Proceeds from borrowings	15	781,383,461	3,211,486,025	764,262,412	3,123,540,478
Repayments of borrowings		(716,956,103)	(2,946,689,583)	(620,842,352)	(2,537,382,693)
Repayments of subordinated debts	20	(38,500,000)	(158,235,000)	(15,321,929)	(62,620,724)
Repayments of bond payable	16	(30,911,300)	(127,045,443)	-	-
Principal element of lease payments		(6,126,540)	(25,180,079)	(3,973,113)	(16,238,113)
<b>Net cash (used in)/generated from financing activities</b>		<u>(11,110,482)</u>	<u>(45,664,080)</u>	<u>124,125,018</u>	<u>507,298,948</u>
<b>Net decrease in cash and cash equivalents</b>		<u>(52,733,684)</u>	<u>(216,735,441)</u>	<u>(166,533,672)</u>	<u>(680,623,120)</u>
Cash and cash equivalents at beginning of year		198,393,513	810,437,501	364,927,185	1,486,713,352
Cash and cash equivalents from legal merger with Kookmin Bank Cambodia plc.		80,286,758	329,978,575	-	-
Currency translation differences		-	(688,827)	-	10,695,862
<b>Cash and cash equivalents at end of year</b>	<b>31</b>	<u>225,946,587</u>	<u>922,991,808</u>	<u>198,393,513</u>	<u>816,786,094</u>

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