



Years!  
OF FINANCIAL  
INCLUSION



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# 01

## About AMK

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AMK Microfinance Institution has been providing inclusive finance to Cambodians since the 1990s, by initially providing loans, later expanding into deposits, remittances, insurance, mobile banking services and more.

AMK's goal is to promote financial inclusion for all Cambodians and contribute to the country's economic development.



Since its humble beginnings in the 1990s, AMK has grown into a leading microfinance institution, offering a comprehensive suite of financial products and services to Cambodians nationwide. From its initial focus on microloans to its recent introduction of mobile banking and digital payments, AMK remains committed to promoting financial inclusion and supporting the economic growth of Cambodia.

AMK Microfinance Institution originated from a Concern Worldwide microfinance intervention program in the 1990s. In 2003, AMK began operating independently and obtained a license from the National Bank of Cambodia, expanding its reach across Cambodia's provinces. The company first turned a profit from its business operations and received foreign borrowing in 2005.

In 2010, AMK underwent strategic reforms to transform itself into a diversified microfinance institution, obtaining a Microfinance Deposit-Taking Institution (MDI) licence from the National Bank of Cambodia. AMK launched its Agent services in 2012, followed by the introduction of ATMs and CDMs and the Smart Kid savings account with client protection in 2013. In 2014, AMK partnered with insurance companies to enhance the safety of low-income individuals vulnerable to potential accidents, including health issues. In 2015, AMK revamped its lending procedures to include digital tablets in all branches. In 2016, AMK became a member of "FAST Service" and Cambodia Share Switch. It was also recognized by SMART for fully implementing the Client Protection Principles. In 2018, AMK acquired a new shareholder partner, The Shanghai Commercial & Saving Bank, Ltd (SCSB), to expand its reach. This partnership led to the launch of a new core banking system to provide a one-stop-shop for all financial services needs across the country. Additionally, AMK also introduced the Tonle Sap mobile app to offer agricultural knowledge and techniques.

In 2020, with digital advancements, AMK officially launched a full-featured mobile app. In 2021, AMK officially launched its "Selfie Banking" and Bancassurance business, became a member of the National Bank of Cambodia, and introduced the KHQR payment system. Furthermore, in 2022, AMK also rolled out the UnionPay Virtual Debit Card and UPI Money Express. Expanding its reach in the significant year of 2023, which marks a special milestone for AMK with the official launch of UnionPay Debit Cards and the celebration of its 20th anniversary. This initiative promotes financial inclusion and supports economic growth. AMK has been expanding its operations nationwide, offering comprehensive financial inclusion through a wide range of digital and intelligent financial services to cater to the needs of all customers. This initiative also includes citizen support mechanisms to provide equal opportunities in economic and social activities, contributing to national economic development.



With AMK's strong vision to provide financial services to Cambodians, enabling them to have adequate and equal opportunities in economic and social activities.





## VISION

AMK's long term vision is of a Cambodian society where citizens have equal and sufficient economic and social opportunities to improve their standards of living and where they can contribute productively towards the overall development of the country.



## MISSION

To provide a range of responsible financial services to our clients from varying economic segments, particularly low-income households and women, to help them achieve their financial and household aspirations.



**Best Employer  
Brand Award  
in Cambodia**



**AMK is proud to receive  
Best Employer Brand Award 4-years in a row.**



Special Recognition as  
1st MDI Launched VISA Direct



Gold Level Certification  
promoted by SPTF and CERISE



Product Innovation of the Year



Outstanding Performance  
in Number of Guaranteed  
Accounts 2023

# AMK'S HISTORY

**Welcomed a new shareholder, The Shanghai Commercial & Savings Bank, Ltd. (SCSB),** launched new products and services, such as SME loans up to \$100,000 and Financial Leasing, and introduced its new agriculture TonLeSap App.



2018

**Launched Mobile Banking Application with full features,** Value Chain Financing product for SMEs, International money transfer service, Financial Leases, and Financial Health Check Service and credit reports at all branches.



2020

**Joined and became a member of "FAST Service" and Cambodia Shared Switch** and certified by the SMART Campaign for fully implementing the Client Protection Principles.



2016

Originated from a project of the **international humanitarian organization Concern Worldwide (CONCERN).**



1990

**Launched Selfie-Banking and Bancassurance business,** became a member of Bakong and fully adopted KHQR payments, was featured in report from Women World's Banking: "A Roadmap to Transformation through Investing in Women: Cambodia's Journey to Empower Women Leaders and Customers".



2021

**Digitalized its lending process by using tablet to all credit officer at all branches** and was featured in a book "The Business of Doing Good", written by Anton Simanowitz & Katherine E. Knotts.



2015



Launched UnionPay Physical Debit Cards and celebrated its 20<sup>th</sup> Anniversary.

2023



Launched an international card scheme featuring UnionPay (Virtual Card) on Mobile and UnionPay Money Express.



2022

Introduced its first ATM/CDMs and Smart Kid Savings account with protection.



Partnered with an insurance company to introduce its first Micro Health and Accident insurance to its loan clients. This insurance comes with a premium of just 25,000 Riels per year.



2014

An agent-based mobile banking and money transfer service has been introduced.



2013

Obtained a Microfinance Deposit Institution (MDI) license from the NBC and expanded its branches to cities and provinces in Cambodia.

Achieved its first operating profit and received approval for its first external debt funding.



2012

Began operating independently in June 2003 and obtained a MFI license from the National Bank of Cambodia (NBC) in early 2004.



2003



2005



2010



# 02

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## **Business Overview**

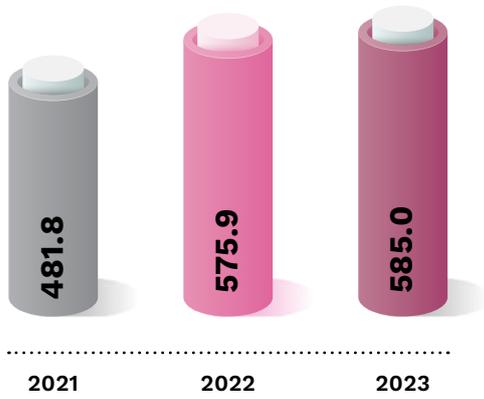
Key highlight of the business performance and operational outreach in 2023

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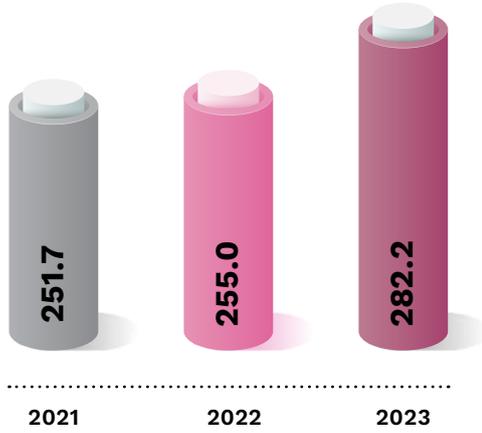
# BUSINESS PERFORMANCE

(MILLION US\$)

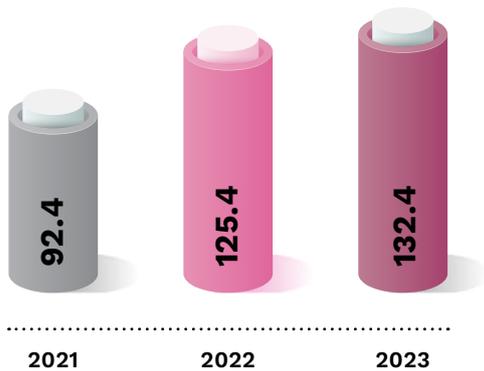
**Loan Portfolio**



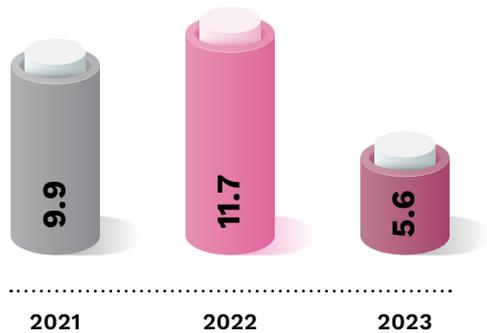
**Deposit**



**Total Equity**



**Net Profit**



**Number of Agents**



2021	2022	2023
6,658	6,009	6,341

**Mobile Banking Subscribers**



2021	2022	2023
57,021	181,979	258,723

## KEY HIGHLIGHTS

<b>OPERATIONAL HIGHLIGHTS</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Number of Branches	150	150	147
Number of Villages	13,280	13,237	13,607
Number of Staff	3,526	3,531	3,737
Number of Total Client	911,546	865,576	801,234
Number of Active Loan Accounts	396,239	391,327	355,115
Loan Portfolio (USD)	481,827,013	575,917,312	585,029,816
Active Loan Accounts/Avg. Client Officer	267	265	227
Loan Outstanding/Avg. Client Officer (USD)	288,149	386,262	370,507
Number of Depositors with Outstanding Loan	309,972	292,738	251,834
Number of Active Deposit Accounts	1,450,506	1,428,746	1,269,345
Deposit Balance (USD)	251,663,265	254,978,842	282,193,312
Number of Agents	6,658	6,009	6,341
Number of ATM / CDM	69	82	87
Number of Active Micro Insurance	306,091	296,201	232,409

<b>FINANCIAL HIGHLIGHTS</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Net Profit (after tax, USD)	9,933,534	11,682,245	5,560,805
Operational Self Sufficiency (OSS)	116.26%	115.42%	106.47%
Return on Assets (RoA)	1.94%	1.82%	0.77%
Return on Equity (RoE)	11.72%	10.69%	4.32%
Portfolio Yield	19.86%	19.48%	18.67%
Operating Cost Ratio	9.69%	8.55%	8.09%
Average Cost of Funds	5.67%	5.76%	7.05%
Leverage Ratio (Debt to Equity)	4.76	4.34	4.02
Non-Performing Loan	1.06%	3.17%	4.69%
Write off Ratio	0.48%	0.85%	1.73%

<b>SOCIAL HIGHLIGHTS</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>LOAN HIGHLIGHTS</b>			
Average Loan Size/GNI per Capita (loan disbursed)	112.81%	111.99%	125.57%
Percentage of Loans ≤ USD 1000	70.97%	63.77%	54.44%
Average Outstanding Loan Per Loan Account (USD)	1,216	1,472	1,647
Average Loan Disbursed (USD)	1,911	1,846	2,217

## OPERATIONAL OUTREACH





**AMK one of Cambodia's Leading MFI**  
(Outreach data as of December 2023)

Districts	Communes	Villages	Branches
<b>207</b>	<b>1,650</b>	<b>13,607</b>	<b>147</b>
100%	99.88%	93.40%	

**355,115**

Active Loan  
Accounts



**1,269,345**

Active  
Deposit  
Accounts



**239,249**

Active  
Insurance





# 03

## Corporate Governance

AMK continues to pursue its mission to provide financial inclusion to the most remote and rural areas, operating in more than 93.40% of the villages in Cambodia, more than 96% of AMK's customers live in rural areas.

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**JOHN CON-SING YUNG**

## MESSAGE FROM CHAIRMAN

2023 marks an incredible milestone from within AMK, as we celebrate our 20-year anniversary. The journey started 20 years ago with a bold and ambitious mission by the founder, Concern Worldwide, to deliver financial services to improve the livelihood options of low-income people in rural area of Cambodia, and to build a financially sustainable institution that would achieve scale and be a major player in the market place.

AMK was established as an independent company in June 2003 with only **40 staff** and operating with only three branches. Today, twenty years later, AMK has grown to nearly **4,000 staff** serving over **800,000 clients** across **147 branches** and more than **6,000 agents**. AMK has expanded into fully fledged financial services including credit, savings, remittances, bill payments, merchant services, and Bancassurance.

Under the strong regulatory framework of the National Bank of Cambodia, the commitment of our investors and partners, and the great dedication of our staff, AMK has achieved great scale and financial stability, now as operating as an MDI, with over \$132 million in total equity. Over the past 20 years, AMK has disbursed over \$3.2 billion in loans, provided over 2.3 million insurance policies, facilitating over \$4.9 billion in payments, transfer and receipts through our agent banking network, provided credit life insurance to our clients of over \$6.7 million and paid out over \$5.9 million in health and accident insurance claims.

And today, under strong support from majority shareholder SCSB, AMK is still committed to its social mission, to provide a range of responsible financial services to our clients from varying economic segments, particularly low-income households and women, to help them to achieve their financial and household aspirations. AMK operates in over 93.40% of the villages in Cambodia, and we are committed to continuing to grow our outreach and impact, to help all Cambodians contribute to the development of the country.

### OUR 20 YEAR ACHIEVEMENTS:



**\$132 million+**  
in equity



**\$3.2 billion+**  
in loans disbursed



**2.3 million+**  
insurance policies  
provided



**\$4.9 billion+**  
facilitated through  
agent banking



**\$6.7 million+** in  
credit life insurance



**\$5.9 million+**  
in health  
and accident  
insurance claims  
paid

### OUR IMPACT:



**Operates in  
Cambodian villages**



**Committed to financial  
inclusion for low-income  
& women**

I would like to extend my heartfelt thanks to all partners of AMK – clients, staff, management, directors and shareholders – for their commitment and support over the past twenty years, and I look forward to building on these achievements, to support AMK to grow into the future and continue to support its clients across Cambodia.

**John Con-Sing Yung**  
Chairman, AMK

## BOARD OF DIRECTORS & ADVISORY COMMITTEE



### JOHN CON-SING YUNG

Chairman of the Board of Directors, Member of Social and Environmental Committee (“SEC”) and Member of Remuneration, Nomination and Corporate Governance Committee (“RNCG”)



### KEA BORANN

Director and Chief Executive Officer (“CEO”)

JOHN CON-SING YUNG is currently a Managing Director of the Shanghai Commercial & Savings Bank, Ltd. He was a Board member, Senior Executive Vice President and Chief Information Officer of the Shanghai Commercial & Savings Bank, Ltd., in charge of IT, Risk, Compliance, Operation, Legal, Oversea expansion, Mainland China Business, and three Shanghai Bank cooperation until mid-2021. He also holds several key positions on behalf of the Shanghai Commercial & Savings Bank, Ltd. subsidiaries and affiliated companies. John started his career at Chase Manhattan Bank in Hong Kong as a management trainee, ending his time there as a manager in the Credit Card Risk Management Department. After Chase, John spent time starting up Shenzhen Concord, a JV investment company between Canadian Eastern Finance and the Shenzhen Government. For the next decade, John focused on building IT and Telecommunication businesses in the Asia Pacific Region before joining the Shanghai Commercial & Savings Bank, Ltd.

He received his BA and MBA degree from the University of Chicago.

KEA BORANN has been appointed as CEO of AMK since 2012. He has been with AMK for over 15 years since 2004 in different roles. He has held various leadership posts throughout the development of the organization, including Finance Manager, Chief Financial Officer, and Deputy CEO. Before joining AMK, he worked for another MFI as the Finance Director for over four years. Borann also holds a position as director in different institutions such as the Association of Banks in Cambodia, Cambodia Microfinance Association, and Credit Bureau Cambodia.

Borann holds a BBA in Finance and Accounting. He received ACCA (Association of Chartered Certified Accountants) Accreditation and accepted as an ACCA member in 2008.



**CHETAN TANMAY**

Director, Member of RNCG,  
and Member of SEC

CHETAN TANMAY is the co-founder and CEO of the Agora Group, wherein he manages the group's investments across Asia and Africa. Tanmay's previous experience includes microfinance ratings, consulting and operations, including as the first Chief Executive Officer ("CEO") of AMK from 2003 to 2007.

Tanmay holds an MBA from IIFM, India, and a Master's in Public Administration from the Harvard Kennedy School.



**CHIEN-CHIH CHENG**

Director, Chairperson of BRC, Member  
of BALCO and Member of AFC

CHIEN-CHIH CHENG (James) is presently a manager of risk management department of the Shanghai Commercial & Savings Bank, Ltd. in charge of credit risk scorecards. He is an expert in retail credit risk modeling, including mortgage, retail loans, credit cards. As a member and manager of credit risk modeling team, he is also familiar with modeling tasks in corporate banking.

James started his career in financial sector at the E.Sun Bank as a mortgage officer, then transferred to the E.Sun Financial Holding Company to develop and maintain retail loan scorecard. For the next decade, he joined the Shanghai Commercial & Savings Bank, Ltd. and has been working in credit risk modeling, especially in retail banking, to establish the rating system and culture within the bank.

James received his bachelor of information management from The National Taiwan University and MBA degree from The National Chengchi University. Cheng completed the Financial Risk Manager(FRM) exam in 2008.



**CHIEN-LING CHENG**

Director, Member of BRC and Member of BALCO



**CHENG-CHUNG CHEN**

Director, Chairperson of BALCO and Member of AFC

Dr. CHIEN-LING CHENG (Mars) is presently Senior Vice President of The Shanghai Commercial & Savings Bank, Ltd., dedicatedly in charge of Anti-Money laundering/ countering the financing of terrorism.

Mars starts his career at The Shanghai Commercial & Savings Bank, Ltd. from 1990 till now. During the time, he has rotated many different units/departments such as branch, credit management department, internal audit department, personal banking department, corporate banking department, wealth management department, compliance department. And now he is the head of AML & CFT Center of The Shanghai Commercial & Savings Bank. In 2018, he represented Taiwan in the 2018 APG mutual evaluation, and was highly appreciated by the chairman of the mutual evaluation team.

Besides, he is also a famous lecturer of Taiwan Academy of Banking and Finance for AML/CFT issues from 2019 till now.

Mars received his PHD degree from Institute of Business and Management of National Yang Ming Chiao Tung University (Taiwan) in 2011.

CHENG-CHUNG CHEN (James) is presently a Senior Deputy Executive Vice President of Overseas Regional Center of The Shanghai Commercial & Savings Bank, Ltd. in charge of the management of overseas branches and representative offices.

He has served The Shanghai Commercial & Savings Bank, Ltd. for over 30 years since 1990. During this time, he has rotated many positions such as account manager, auditor in audit department and branch manager, etc. In 2016, he set up the Deposit Department and served as the Head of Deposit Department for 3 years. The main responsibility of this department is to manage the operation of all branches and evaluate the performance of relevant colleagues. Afterwards, he was appointed to set up The Shanghai Commercial & Savings Bank, Ltd.'s first branch (Wuxi Branch) in China and became the first branch manager.

James received bachelor of business from The Tamkang University and master degree from The Renmin University of China.



**TIP JANVIBOL**

Independent Director and  
Chairperson of RNCG



**HENG SEIDA**

Independent Director, Chairperson of AFC and  
Member of Board Risk Committee (“BRC”)

Dr. TIP JANVIBOL, founder and senior managing partner of Tip & Partner, brings over 20 years of legal experience to the Board of Directors of AMK. He is a licensed attorney and member of the Cambodian Bar Association. Dr. Tip effectively leads both small and large-scale transactions involving both individual and corporate clients while managing and overseeing the implementation of the law and related legal issues.

In prior years, Dr. Tip worked in both the public and private sectors as a consultant and legal adviser for private enterprises, government institutions, international agencies including International Committee for the Red Cross (ICRC), UNICEF, World Bank, and United Nations.

He holds a Doctorate Degree (PhD) from California Coast University, Master’s Degree from the University of Massachusetts, Lowell, Bachelor’s degree from University of Maine, Presque Isle, and attained numerous legal training certificates, including ones from The Hague Academy of International Law, Legal and Judicial Cooperation of JICA, and United Nations.

HENG SEIDA is a certified public accountant, an active member of Kampuchea Institute of Certified Public Accountants and Auditors (KICPAA), a fellow member of Association of Certified Chartered Accountants (ACCA), UK, and a certified internal auditor from USA. She also holds a Bachelor Degree in Accounting. Seida has over 19 years of experience in auditing and financial management. She is the Managing Partner of FII & Associates, responsible for the overall operations of the firm, acts as the signing partner and ensures the high quality of services provided with due professionalism. Seida had been elected and served as Vice President and President of KICPAA from 2012-2015 and 2015 -2020, respectively.

Prior to this, Seida was a financial management specialist with the World Bank for a period of 5 years and was an Audit Manager with one of the big 4 auditing firms for a period of 6 years in the audit and advisory services in Cambodia and Malaysia.



**BLANDINE CLAUDIA  
MARIE PONS**

Independent Director and  
Chairperson of SEC



**FRANCES SINHA**

Member of SEC

BLANDINE CLAUDIA MARIE PONS is Incofin East Asia Regional Director and Social Performance Manager, based in Phnom Penh Cambodia. She also sits at the BOD of the Social Performance Task Force (SPTF) and co-chairs the Social Investors Working group. Dina manages a portfolio of USD 80 million, serving more than a dozen financial service-providers across East Asia. Previous to joining Incofin, Dina lived in the Philippines, where she worked as a senior analyst for the microfinance specialized rating agency Planet Rating.

Dina also lived in China, and she was part of the team which set up MicroCred Nanchong in Sichuan. She also led capacity-building projects.

FRANCES SINHA's career in development consultancy spans 30 years of hands-on engagement with financial inclusion. A graduate from Oxford University and the London School of Economics, UK, she has been based in India, where she co-founded M-CRIL as a specialist rating agency. She has been a lead consultant for the Social Performance Task Force and the MicroCredit Summit Campaign, contributing to standards for social reporting, social performance management, outcomes management, pro-poor financial inclusion, and client protection.

Her work profile has also included program evaluations and impact assessments in India and throughout Asia.

# BOARD COMMITTEE

## BRC: BOARD RISK COMMITTEE

AMK's board and management strongly believes that sound risk management is crucial to the success of AMK's business activities as a Deposit Taking Microfinance Institution. Our philosophy is to ensure that the risks we take are helping us to achieve our business strategy and corporate goals while remaining in line with risk appetite. The ultimate responsibility for setting the risk appetite and effective risk management rests with the Board of Directors.

Acting within an authority delegated by the Board of Directors, the BRC has the responsibility for oversight and review of overall enterprise risks including, but not limited to, business and strategy, credit portfolio quality and concentration, capital planning, liquidity and funding,

technology, operational, reputational and compliance risks (regulatory compliance and AML/CFT). It reviews AMK's overall risk appetite and makes recommendations thereon to the Board. The responsibilities also include reviewing the appropriateness and effectiveness of the whole AMK's risk management systems and controls, considering the implications of material regulatory changes and the growth of AMK's business within the evolving competitive landscape.

In 2023, the BRC meeting met four times and significant steps were taken to enhance the company's level risk management framework. Key achievements of BRC in 2023 include:



### Reviewed and endorsed the following products/activities, reports, and policies and procedures:

- Reviewed and recommended the Proposed Amendments to IT Policies and Standards;
- Reviewed and recommended the Proposed Anti-Bribery and Corruption Policy;
- Reviewed and recommended the Proposed Change Type of Document from Maintenance, Management and Usage of Company's Stamp and Branch's Stamp of AMK Microfinance Institution PLC Policy to SOP;
- Reviewed and recommended the Proposed Bancassurance Partnership with Forte Insurance (Cambodia) Plc;
- Reviewed and recommended the Proposed Amendments to Loan Protection Insurance Conditions;
- Reviewed and recommended the Proposed Amendments to Credit Risk Policy;
- Reviewed and recommended the Proposed Amendments to Saving Policy;
- Reviewed and recommended the Proposed International Card Management Policy;
- Reviewed and recommended the Proposed Partnership with ACLEDA Bank PLC on Cross Border QR Payment;
- Reviewed and recommended the Proposed Amendments to Business Continuity Plan (BCP) Policy;
- Reviewed and recommended the Proposed Amendments to Value Chain Financing Policy;
- Reviewed and recommended the Proposed Amendments to Merchant Acquiring Management Policy;
- Reviewed and recommended the Proposed Enhancement to Financial Leasing on the Motor Loan/Lease Product;
- Reviewed and recommended the Proposed Enhancement to Financial Leasing on the Auto Loan/Lease Product;
- Reviewed and recommended the Proposed Amendments to AML/CFT Policy;
- Reviewed and recommended the Proposed Amendments to Data Protection Policy;
- Reviewed and recommended the Proposed Amendments to Training and Development Policy;
- Reviewed and recommended the Proposed on Branch Merging;
- Reviewed and recommended the Proposal on Affordable Housing Loan Enhancement;
- Reviewed and recommended the Proposed Amendments to Risk Management Framework;
- Reviewed and approved the Proposed Budget Plan for Risk Management Department for 2024;
- Reviewed and recommended the Proposed Amendments to BRC Charter;

- Reviewed and approved the Proposed Budget Plan for Legal and Compliance Department for 2024;
- Reviewed and recommended the Proposed Amendments to Staff Loan Policy;
- Reviewed and recommended the Proposed Amendments to Overdraft Facility Policy;

- Reviewed and recommended the Proposed Amendments to Supply Chain Financing Policy;
- Reviewed and recommended the Proposal on Credit Product Enhancement on Grace Period; and
- Reviewed and recommended the Proposed Amendments to Document Management Policy.

### BALCO: BOARD ASSET AND LIABILITIES COMMITTEE

The Board Asset and Liability Management Committee (BALCO) provides the Board with strategic leadership regarding AMK's balance sheet management and serves as the approving body for ALM policies. The BALCO is responsible for strategic management of interest rate and liquidity risk as well as funding management of the Company to maintain sustainable growth and profitability and achieve optimal shareholder value.



#### committees core responsibilities include:

- Reviews the Company's liquidity and management of funds;
- Reviews and recommends funding strategy and contingency funding plan;
- Evaluates the Company's interest rate, liquidity, and foreign exchange risk tolerance;
- Reviews periodic stress testing on key market drivers and their impact on ALM strategies;
- Recommends for the approval of all policies relating to ALM;
- Reviews new product offerings and changes and their impact on profitability, liquidity and FX position;
- Reviews the annual budget and strategic plans with regards to balance sheet management.



#### In 2023, the BALCO met four times to discuss the following key strategic issues concerning balance sheet risk management:

- Reviewed the performance against budget and revised projections, quantifying the financial risks and recommended risks management strategies to the Board;
- Reviewed the Asset and Liabilities Management and assessed the liquidity risk, and reviewed and monitored stress testing modelling;
- Reviewed the 2023 budget with a focus on balance sheet management and submitted it to the Board for endorsement;
- Reviewed the funding strategy and its pricing and assessed the paid-up capital and solvency plans;
- Reviewed the impact of new regulations, monitored the existing regulation on balance sheet risk management and recommended balance sheet impact mitigation strategies to the Board;
- Reviewed and monitored the financial and liquidity Key Risk Indicators;
- Reviewed and approved the Proposed Amendments to ALCO KRIs;
- Reviewed and recommended the Proposed New Borrowings;
- Reviewed and recommended the Proposed Transfer of the Retained Earnings to Non-Distributable Reserve;
- Reviewed and recommended the Proposed Amendments to BALCO Charter;

## AFC: AUDIT AND FINANCE COMMITTEE



### The committee is responsible for ensuring:

- The integrity of the Company's financial statements, reporting and disclosure practices, thereby ensuring that the information provided to the public and to the National Bank of Cambodia (NBC) is clear, accurate and reliable;
- The relevance of accounting methods used to prepare individual and consolidated accounts, if any;
- The quality of the Company's internal audit function (the internal audit department); and
- The independence and performance of the Company's external auditors.
- This committee also regularly performs the following tasks on Finance, Internal Controls, and Internal Audit. Some core activities are as follows:
  - Review and discuss with the management significant financial reporting issues and judgement made in connection with the preparation of the Company's financial statement prior to submission to the Board, governmental body, or the public;
  - Review and recommend the Company's accounting and finance policies and internal audit policy for the Board's approval;
  - Review and monitor the integrity of the financial statements of the Company and recommend audited financial statements for the Board's approval;
- Recommend the proposed annual budgets, particularly on the capital expenditure and operating expenses, to the Board for approval;
- Receive and evaluate reports from management on the effectiveness of the Company's established internal control systems;
- Regularly review the conclusions of systems testing carried out by internal or external auditors and the adequacy of the action by the management based on those conclusions;
- Consider and make recommendations to the Board, to be put forward to shareholders for approval at the AGM, in relation to the appointment, compensation of the external auditors;
- Oversee the work of the external auditors and discuss their judgements on the quality, appropriateness, and acceptability of the Company's accounting principles and financial disclosure practices, as applied in its financial reporting and the completeness and accuracy of the Company's financial statements;
- Review and approve the annual internal audit plan and ensure the internal audit function has access to information to fulfill its mandate; and
- Monitor and assess the role and effectiveness of the internal audit function in overall context of the Company's risk management system on a quarterly, or, at least, biannual basis;



### In 2023, the AFC met four times to discuss the following strategic areas:

- Reviewed and recommended the 2022 audited financial statement to the Board for approval;
- Discussed business line performance, costal location logic, business line profitability, and efficiency;
- Reviewed progress against the 2022 Internal Audit Plan and reviewed and approved the proposed 2023 Internal Audit Plan and Internal audit budget plan;
- Discussed material audit findings and feedback for rectification and improvement;
- Reviewed and approved the Proposed Annual Report on Internal Control System for 2023;
- Reviewed and approved Loan Write Off for Retail and Commercial Business;
- Reviewed and approved the Proposed Amendments to Procurement Policy;
- Reviewed and approved Internal Audit Plan for 2024
- Reviewed and approved the Amendments to AFC Charter
- Reviewed and approved the Proposed Amendments to AMK Internal Audit Risk Matrix Guideline;
- Reviewed and approved the Proposed Amendments to Internal Audit Risk Profiling Guideline;
- Discussed and recommended the 2024 Budget Plan to the Board for approval.

### RNCG: REMUNERATION, NOMINATION, AND CORPORATE GOVERNANCE COMMITTEE

The committee is responsible for overseeing the remuneration of employees of the Company and making sure that they are fairly rewarded for their contribution to the Company's performance, and also nominating the new Directors, members of the Board's committees, and senior managers.

This committee sets the compensation policies for Directors, Committee members, and senior management

of the Company. It is entrusted to oversee the induction of new members, prepare briefings to keep the Board up-to-date on the developments in corporate governance, update Board members of their roles and responsibilities relating to legal obligations. Regarding corporate governance, the committee is expecting that the Board work according to best practices, ensure overall effectiveness, undertake or facilitate periodic self and peer evaluations of the Board.



**In 2023, RNCG held two meetings and provided the following oversights and resulting recommendations to the Board:**

- Reviewed and recommended the Proposed re-appointment of the Members of the Board and Board Committee of AMK Microfinance Institution Plc
- Reviewed and approved the Proposed interest rate for defer performance incentive in 2023
- Reviewed and recommended the Proposed Amendments to AMK Structure in 2023
- Reviewed and recommended the Proposed Roadmap and Planning for the Future Structure of AMK
- Reviewed and recommended the Proposed Amendments to Human Resource Management Policy
- Reviewed and approved the Proposed Amendments to Job Grading and Salary Scale
- Reviewed and approved the Proposed Salary Increment for 2024
- Reviewed and approved the Proposed 2023 Incentive Distribution
- Reviewed and recommended the Proposed AMK Structure for 2024
- Reviewed and recommended the Proposed Amendments to RNCG Charter AMK Structure for 2024

### SEC: SOCIAL AND ENVIRONMENTAL COMMITTEE



**At Board level, The SEC is intended to assist the Board of AMK in its oversight of the social and environmental value of AMK's work. This includes:**

- Analysis of the Implications of business strategy on social and environmental performance.
- Identification of opportunities to support and strengthen social and environmental performance.
- Application of data and research, particularly with reference to the following:
  - a. Outreach of financial services in line with stated mission;
  - b. Demand driven products and services for clients;
  - c. Client protection (transparency and clients' voice);
  - d. Supporting sustainable environmental practices in clients' activities;
  - e. Building sustainable environmental practices in AMK's own operations;
  - f. Alignment of organizational activities and programs to social and environmental values;
  - g. Other social responsibilities – corporate culture, policies for staff, etc.; and
  - h. Contribution to change for clients and their households.

The role of the committee is advisory in nature. In carrying out its responsibilities, the committee will draw on international best practice as well as the expertise and knowledge of AMK management, internal institutional data and research, and the results of any external evaluations that cover the above areas. The creation of this committee does not dilute or amend in any way the responsibilities of the Board or the management.



## SHAREHOLDERS - SCSB

The Shanghai Commercial & Savings Bank, Ltd. (“SCSB”) was established in Shanghai in 1915, with the aspiration to serve society, to support industry, and to promote international trade.

SCSB’s roots in serving the individual who would not traditionally have had access to banking services are firmly entrenched in the principles that guide SCSB today.

Together with its subsidiaries Shanghai Commercial Bank Ltd. (SCB) in Hong Kong and AMK Microfinance Institution Plc. in Cambodia, SCSB manages total consolidated assets more than USD78 Billion and paid in capital more than

USD1.5 Billion, and has shareholder’s equity more than USD7.7 Billion.

SCSB’s Vision, Mission and Core Value are as follows:

- VISION** — To become the best Chinese bank in the Asia Pacific region.
- MISSION** — To serve society, to support industry and to promote international trade.
- CORE VALUE** — “Considerate, efficient and respectful” and “always placing customers’ needs first”.



Employee Worldwide:

**8,400+**

Taiwan:

**72 Branches**

Branches Worldwide:

**270+**

Hong Kong:

**44 Branches**

Overseas:

**East Asia, Europe, North America,  
Representative offices**

SCSB reported the following key financial indicators in its 2023 audited report:

Description	2023 (in NTD Billion)
Net Interest Income	19.78
Total non-interest income	9.03
Net Revenue	28.81
Provisions for bad-debt expense, commitment and guarantee liability	2.70
Total operating expenses	9.38
Profit before income tax	16.72
Net income	14.77
Average balance on Deposit	1.25
Average balance on Loan	865.20
Earnings Per Share	3.05
ROA (after income tax)	0.96%
ROE (after income tax)	8.37%
Total branches	72
Total staffs	2,931

SCSB becomes a significant majority shareholder since 2020.

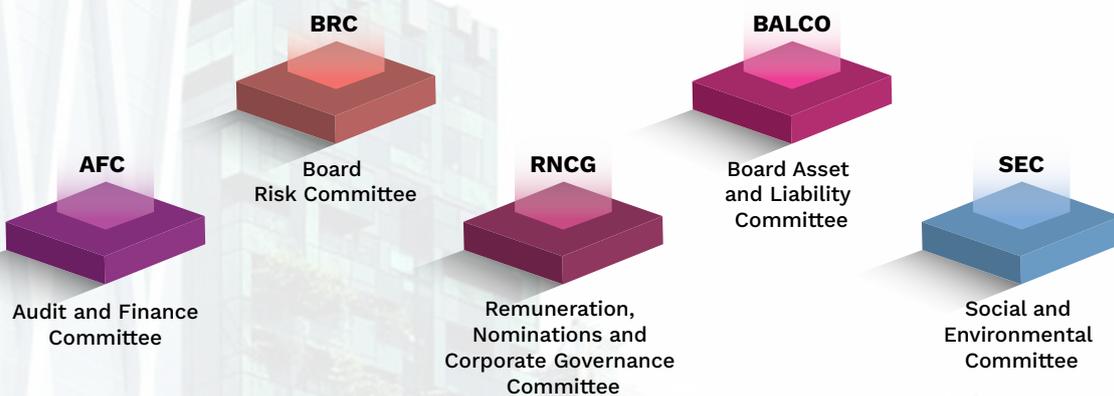
At the end of 2023, AMK is fully a subsidiary of SCSB.

AMK's shareholders appoint the Board of Directors, which is responsible for the overall governance and strategic guidance of the institution. The nine-member Board of Directors (including the CEO) has broad expertise in areas such as finance, risk, treasury, audit, legal, and development, as well as extensive experience in microfinance, commercial bank, and investment banking.

The Board of Directors appoints the Chief of Executive Officer (CEO), who works with an executive committee that consists of Suite and other key departments. This committee, in turn, oversees the Management Committee composed of the Heads of Department and Suite.

The first four committees perform traditional corporate governance functions. The Social and Environmental Committee advises the Board of Directors on AMK's performance in terms of poverty outreach, product suitability, client protection, and overall social responsibility.

**The Board of Directors has the following standing committees:**



# MESSAGE FROM CEO



## AS OF DEC 2023



**Nearly 1 million loan & savings customers**

**Served by 147 branches, nearly 4,000 employees, more than 6,000 agents**

2023 marks AMK’s 20 years’ anniversary since it was founded with a mission to serve the Cambodian people, particularly low income families living in rural areas. At the end of 2023, AMK is providing services to nearly 1 million loans and savings customers across its 147 branches with nearly 4,000 employees and more than 6,000 banking agents nationwide.

## OUR ACHIEVEMENTS



Credit grew by **0.8%**



**94% of AMK’s loan customers** receive free and full credit life protection



**over 80% customer** receive full coverage for personal health and accident



Deposit balance grew by **10%**



Transactions increased by **43% (20 million+)**

Over the last 20 years, AMK has continued its commitment to offer fully fledged inclusive financial services to the Cambodian people. Additionally, AMK provides a range of financial planning and protection services to its customers. About 94% of AMK’s loan customers receive free and full credit life protection from AMK, and over 80% of our loan customers hold at least one micro-life policy which provides coverage for personal health and accident for a nominal annual premium. AMK’s bancassurance services continued to grow strongly as our customers embraced the new product offerings.

The financial sector is navigating the many challenges faced in 2023, affected by sustained higher interest rates, a slow-down in key sectors including real estate, construction, tourism and hospitality and garment and footwear manufacturing. Loan growth slowed significantly to approximately 4.11% in 2023 while facing noticeable increase in non-performing loan (30+ DPD) to 6.2%. Despite these challenges, the financial sector continues to be resilient with high liquidity and sustainable profitability.

AMK is not immune to these challenges, with AMK's own credit growth slowing to 1.1%, while non-performing loans increased to 4.69% in 2023. AMK has built a strong expected credit loss reserve to cover the potential future losses, with our risk-coverage ratio at 112.3% of our NPL at the end of 2023. At the same time, AMK's customers have embraced our deposit products and services. As result, the Deposit balance grew by 10% in 2023. AMK has seen a strong transaction growth across its eco-system including Agent banking, Merchant, Mobile banking, Branches and ATM/CDMs. The total transactions increased by over 43% in 2023 reaching close to 20 million transactions.

Despite the challenging conditions, AMK continues to pursue its missions to provide financial inclusion to the most remote and rural areas, operating in more than 93.40% of the villages in Cambodia. More than 96% of AMK's customers live in rural areas, most of whom are low-income and more than 80% are female. About 70% of AMK's loan customers are group and individual loans without collateral, and about 50% of the loan portfolio is denominated in Khmer Riel.

The overall economy is expected to further improve in 2024. Cambodian GDP is forecast to grow by 5.8% in 2024 with stable foreign exchange rate and inflation. AMK's business is projected to grow moderately in 2024. The non-performing loan is expected to improve as

the general economy continues to recover while AMK continues to capture new opportunities in new business segments. We will continue to be mindful and cautious as the global challenges are not over, including a high interest rate environment, the outbreak of war and geopolitical conflicts, and the impact of climate change which can affect our planning as well as our customers' business activities and livelihoods. AMK's management, with support from the board of directors, has taken number of action to mitigate the risk and as well as to adaptation for 2024, including reorganization of our business structure, human resources and as well as the operational effectiveness.

On behalf of AMK's management and staff, I would like to thank our Shareholders, The Shanghai Commercial & Savings Bank, the Chairman, Directors, and Committee Members for their leadership, supports, and guidance throughout the year. I would also like to thank my colleagues, both management and staff, especially our field staff, for their hard work, diligence, and commitment to providing the best services to our customers. Lastly, I would like to express my sincere appreciation to all stakeholders, especially the National Bank of Cambodia, for their continued supports to AMK and to building an inclusive financial sector.

**Kea Borann**

Chief Executive Officer, AMK

## EXECUTIVE COMMITTEE



**KEA BORANN**

Director and CEO

**SUON PISEY**

Chief Business Officer

**SOK KOSAL**

Chief Information Officer

**LUCAS R MORO**

Chief Financial Officer

**PEANG PISAK**

Chief People & Development  
Officer

**UK KOSAL**

Chief Legal & Compliance  
Officer

**CHEA ROATTANA**

Head of Agent Management



**KEA BORANN**  
Director and CEO

Borann, with over 15 years at AMK since 2004, has held diverse roles, progressing from Finance Manager to Chief Executive Officer in 2012. Prior to AMK, he served as Finance Director at another MFI for over four years. Borann is also a director in various institutions, including the Association of Banks in Cambodia, Cambodia Microfinance Association, and Credit Bureau Cambodia. He holds a BBA in Finance and Accounting, achieved ACCA Accreditation, and became an ACCA member in 2008.



**SUON PISEY**  
Chief Business Officer

Pisey joined AMK in 2009 as Regional Manager, rising to Head of Credit in 2012. In 2017, he became Chief Retail Business Officer, overseeing branch distribution, retail operations, credit, leasing, deposits, and bank assurance. With 20 years in microfinance, Pisey excels in business operations, audit, product development, and branch management. He holds Bachelor's and Master's degrees in business management from a local university, and has completed various microfinance-related training courses locally and internationally.



**SOK KOSAL**  
Chief Information Officer

Kosal became the Chief Information Officer at AMK in April 2015. Prior to joining AMK, he garnered 20 years of experience in various sectors such as IT Service Provider, Manufacturing, Telecommunication, and Media Broadcasting. His IT career progressed from support to executive levels, navigating challenges and changes successfully. Kosal holds a Bachelor's Degree in Computer Science from RUPP and a Master's Degree in IT Management from INNOTECH-CBAM.



**LUCAS R MORO**  
Chief Financial Officer

Lucas assumed the role of Chief Financial Officer at AMK in 2020, bringing over 17 years of accounting expertise spanning retail, manufacturing, professional services, and government and non-government organizations. His experience includes senior finance positions in Australia and Cambodia, such as Group Reporting Manager at an ASX-listed company in Australia and CFO at an international manufacturer in Cambodia. A member of Chartered Accountants Australia and New Zealand (CA) since 2011, Lucas holds a Bachelor's Degree in Business from the Queensland University of Technology.



**PEAING PISAK**  
Chief People &  
Development Officer

In 2023, Pisak assumed the role of Chief People & Development Officer at AMK. She initially joined the organization as Training Manager in 2011, subsequently progressing to Head of Training Department in 2012 and eventually becoming the Head of Human Resource Department in 2013. Pisak brings over 20 years of diverse experience across microfinance, non-government, and private sectors, where she led Training and Human Resources Management. She also serves as a member of the Board of Directors of AMK Staff Association (AMK-SA) and holds the position of Chairwoman of HR CLUB at Cambodia Microfinance Association (CMA). Pisak holds a Bachelor's Degree in Marketing and a Master's Degree in Management from the National University of Management (NUM).



**UK KOSAL**

Chief Legal &  
Compliance Officer

In January 2023, Kosal was promoted to Chief Legal and Compliance Officer at AMK, having joined as Head of Legal and Compliance in April 2018. With over 10 years of experience in the banking and financial sector, Kosal manages the company's legal affairs, corporate secretarial tasks, and compliance matters. He holds a Master of Laws from Transnational Laws and Business University, South Korea, and is a certified Anti-Money Laundering Specialist by ACAMS and ICA.



**CHEA ROATTANA**

Head of Agent Management

Prior to becoming the Head of Agent Management, Roattana joined AMK in 2010 as the Mobile Banking Manager, holding various positions since then. He brings diverse experiences from the Mobile Network Operator (MNO) and fast-moving consumer goods (FMCG) industries. Roattana holds an MBA in International Business from IAE-Lyon Business School, Jean Moulin Lyon III University, France.

## MANAGEMENT TEAM

1. **BUN CHAN PHIWORTH**  
Head of Supply Chain Financing
2. **LONG CHAMNAN**  
Head of Credit Business
3. **TAING MUYLENG**  
Head of Risk Management
4. **HEAK THAVUTH**  
Head of Internal Audit
5. **CHEANG VANNA**  
Head of Training
6. **CHHEAN DARA**  
Head of Digital Banking and Card Payment
7. **HENG ROMNY**  
Head of Deposit and Service
8. **HENG MALAY**  
Head of Marketing and Communication
9. **SEAN VEASNA**  
Head of IT Project Management
10. **PHAN SOTHEA**  
Head of Research



11. **ANG LEAPHENG**  
Head of Core Banking System
12. **PREM CHANDRABOTH**  
Head of Management Information System
13. **TUM CHANDET**  
Head of Credit Control
14. **PUM SOPHY**  
Head of Product Development
15. **MUT CHAKRIYA**  
Head of Contact Center
16. **REAM KERITHEA**  
Head of IT infrastructure
17. **ROEUNG VIRINY**  
Head of Finance
18. **ROS KEOMONYCHENDA**  
Head of Treasury
19. **SVAY SOCHEA**  
Head of Bancassurance
20. **SO LATIN**  
Head of Operations
21. **DETH SOCHEATH**  
Head of Human Resource



## THE COMMITTEES

**AMK operates committees at the management level to oversee and manage the core aspects of the company's operations according to the nature of its business and the risk appetite.**

**The committees comprise:**

### EXECUTIVE COMMITTEE (EXCO)

EXCO is responsible for ensuring that AMK operates efficiently. It oversees a wide range of topics including strategy and execution, performance management, development of policies, and any other types of risk that emerge during AMK's strategy execution, including reputational risk. It is chaired by the CEO and meets on a monthly basis.

### MANAGEMENT RISK COMMITTEE (RMC)

RMC role is to monitor the implementation of the Company's overall enterprise risk management to achieve its strategic business plan. This includes operational risk, compliance risk, and AML/CFT (Anti-Money Laundering and Counter Financing of Terrorism) related policies and procedures.

### ASSET AND LIABILITIES COMMITTEE (ALCO)

Management ALCO's primary responsibility is to manage all on and off-balance sheet positions and overall financial health of AMK. The committee ensures that interest rate, maturity, currency, liquidity and other financial risks inherent in the mismatches between the institution's assets and liabilities are properly reported, analyzed and managed. This allows for the continued and sustainable growth of AMK while managing associated risks.

### CREDIT RISK COMMITTEE (CRC)

CRC is responsible for monitoring and implementation of sound credit risk management within the framework of the company's overall risk appetite, including compliance with credit policies, sound lending practices, and monitoring of portfolio quality. The committee is also in charge of setting and monitoring portfolio exposure limit and portfolio quality (via client's portfolio, sector, or product, etc.), analyzing delinquency trend and reasons, and taking remedial actions if needed.

### IT COMMITTEE (ITC)

The Information Technology Committee (ITC) is responsible for providing guidance for managing the overall technology systems and infrastructure within AMK. The ITC regularly reviews the IT operations, compliance and execution of the IT strategy and project implementation and assesses the priority of system development and investment to meet overall priorities of AMK' business and user requirements.

### IT STRATEGY COMMITTEE (ITSC)

The purpose of the Information Technology Strategy Committee (ITSC) is to ensure technology strategy and plans align with AMK's strategies and that the IT services and solutions align to agreed technology principles and standards.

### PRODUCT DEVELOPMENT COMMITTEE (PDC)

The PDC ensures the financial products and services of AMK are well developed, meeting the clients' demand in a competitive market, minimizing the possible risks involved, maximizing the cost efficiency in operations, and responding to the vision and mission of AMK. The responsibilities of the committee are to review and endorse the overall short-and long-term product roadmap, new or enhanced product and service proposals, relevant product and service policies and procedures and strategies for recommendation to the EXCO and Board of Directors. In addition, the committee monitors the progress on the implementation and reinforcement of projects and regularly update on the status of projects as well as all pending issues to evaluate the success or failure of pilot tests and provide recommendations to official launch.

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Corporate Social Responsibility Committee supports and organises the charitable activities of AMK, including raising and managing funds, and organising key activities including blood donation drives, employee volunteer activities and other duties assigned by the EXCO.

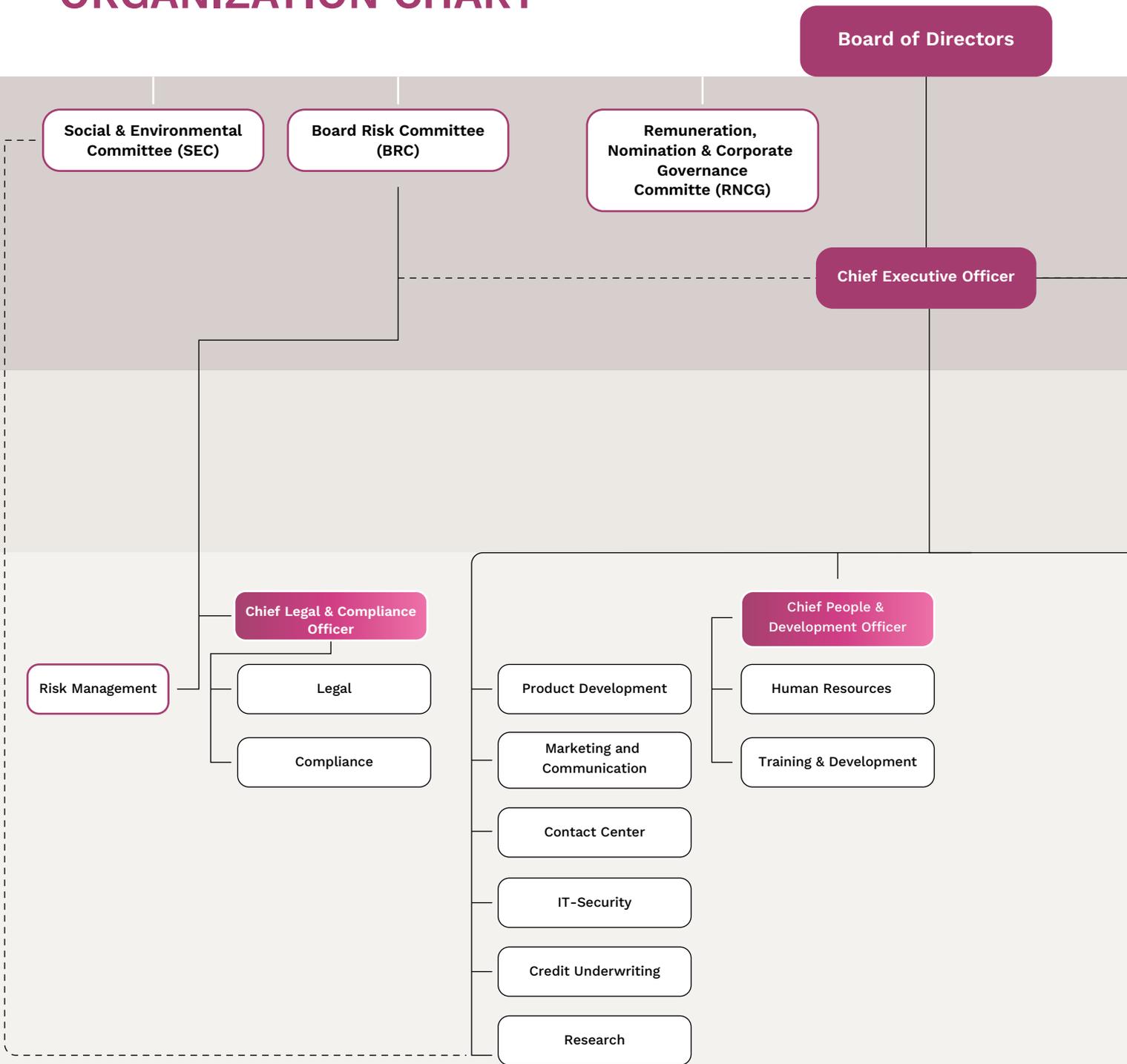
### LEARNING AND DEVELOPMENT COMMITTEE (LDC)

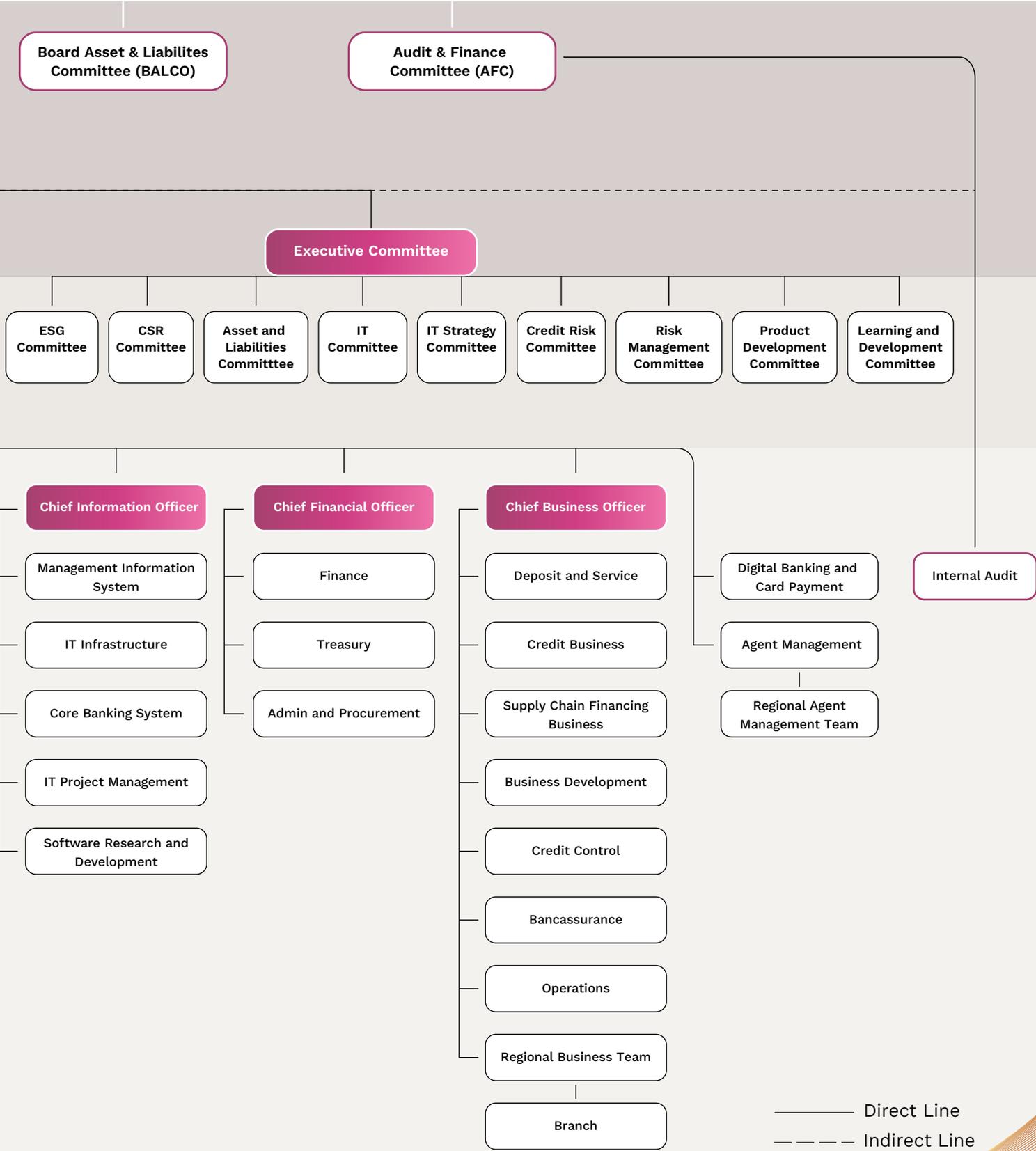
The Learning and Development Committee (LDC) supports AMK' efforts to build a culture of continuous learning, improving individual competencies, expanding organizational capabilities, a professional financial service provider with a high level of ethics. The LDC ensures training and development programs align to AMK strategies, principles and standards. The LDC has the authority to make decisions on all areas related to training and capacity development program within AMK and to propose recommendations to the Executive Committee where action or improvement is needed.

### ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG)

The ESG Committee has the duties and responsibilities to monitor the implementation of ESG policy, SOP, tools and guideline to make they are properly followed, to oversee the ESG assessment process, to assist training department to train the frontline staff or relevant staff on the assessment procedure, and the used of assessment/due diligence tools, to monitor and report the result of ESG project/loan on an annual basis as part of annual report, to liaise with lenders or investor on ESG aspects and capacity building on ESG, to maintain to the moderate risk level project/loan submitted by ESG underwriting team and to review and approve on the ESG risk mitigation plan prepared by clients or business team.

# ORGANIZATION CHART







# 04

## Key Achievement

- 50 Marketing Campaigns and Promotion
- 54 New Product Launches
- 56 Client's Testimonial

AMK successfully launched several new campaigns and promotions in 2023, significantly boosting brand awareness and customer engagement. The exciting launch of the AMK Union Pay Debit Card provides customers a secure and globally accepted payment option.

## MARKETING CAMPAIGNS & PROMOTION

### ENJOY FREE DELIVERY WHEN PURCHASING ON L192 AND PAYING THROUGH AMK MOBILE



In March 2023, AMK offered a special promotion to all customers who purchase items on L192 and pay via AMK Mobile. This promotion focuses on free delivery to all locations, whether in Phnom Penh or in the provinces. To avail of this special offer, customers simply need to access the L192

mobile app, choose their favorite product, and complete the payment using the AMK Mobile. This promotion is exclusively for customers who make a payment of \$5 or more and is valid from March 15 to April 13, 2023.

### GET A DISCOUNT WHEN PURCHASING CAR TICKETS THROUGH BOOKMEBUS AND PAYING THROUGH AMK MOBILE



In March 2023, AMK offered a promotion to customers who purchased BookMeBus tickets and paid via AMK Mobile. This promotion includes an immediate 30% discount from March 20 to 31, 2023, and a 20% discount from April 1 to 10, 2023. To avail of this discount, customers simply need to log in to BookMeBus, choose a Shipping Company, and make a payment via AMK Mobile. The shipping companies eligible for the discount are as follows:

- Cambodia Post VIP Van
- Mey Hong Transport
- Seila Angkor Express
- Kimseng Express
- Pacific Express
- TCT Mondulkiri Express
- Ekareach Express
- Virak Buntham
- MBUS

## GET \$2 OFF WHEN ORDERING FOOD THROUGH NHAM24 AND PAYING THROUGH AMK MOBILE



In July 2023, AMK ran a special promotion for customers using AMK Mobile Banking. Customers who order food for \$6 or more received an instant \$2 discount. To avail of this promotion, customers

simply need to visit Nham24 mobile app, select their favorite food, and choose AMK as the payment method. This promotion is valid from July 17 to August 31, 2023.

## WIN A MOBILE TOP-UP CARD FROM AN AMK AGENT!



In July 2023, AMK offered special promotions to customers who transact through AMK agents nationwide. This promotion allows customers to make transactions such as money transfers, loan payments, withdrawals, and deposits using Bakong. To qualify for this promotion, customers

just need to visit any of AMK's agents and complete the specified transaction. If you receive a congratulatory message on a \$1 winning receipt, you can immediately request a mobile top-up card from the agent. This promotion was valid from July 17 to August 31, 2023.

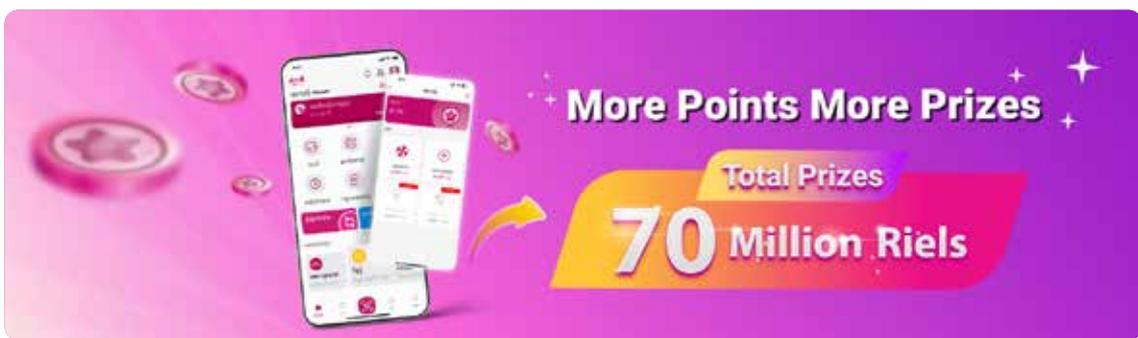
## TRANSFER MONEY TO A VISA CARD ABROAD FOR A SERVICE FEE OF UP TO \$3



In September, AMK announced a partnership with Visa to facilitate and streamline money transfers, making them more efficient and cost-effective. Through collaboration, customers can transfer money directly from their AMK account or AMK Mobile to a Visa card in 13 countries: Brunei, Germany, India, Indonesia, Macau, Malaysia, New Zealand, Philippines, Singapore, Thailand, UK, Vietnam. To initiate a transfer, customers only need the 16-digit Visa card number and the

recipient's name. We can transfer up to \$1,000 per transaction, \$5,000 per day, and \$20,000 per month. To celebrate this collaboration, AMK is offering a special promotion for customers who transfer money from AMK to a Visa card for only \$3 when transferring less than \$500, and up to \$5 when transferring between \$500 and \$1,000. This offer was valid from September 18 to December 31, 2023.

## EARN MORE POINTS TO UNLOCK GREATER REWARDS!



In August 2023, AMK launched a special program called the Loyalty Point Program. This application allowed all AMK customers to earn points by topping up their phone or paying bills through AMK Mobile. Customers can redeem their points for chances to play fun quizzes and enter a monthly lucky draw hosted by AMK. The livestream takes

place on the official Facebook page every month from August to November 2023, There will be two draws per month, on the 10th and 25th, with 30 winners announced in each draw, each receiving 100,000 Riels. Additionally, on December 25, 2023, there was a special draw where 40 winners were selected, each receiving up to 1 million Riels.

## GET 2% + 1% CASH BACK WHEN USING YOUR UNIONPAY DEBIT CARD



In October 2023, AMK announced the launch of three types of UnionPay debit cards: Easy Debit Card, Lucky Debit Card, and Luxury Debit Card. AMK's UnionPay debit card is highly secure, integrated with an EMV card chip, and requires payment confirmation. AMK's UnionPay Debit Card requires a 6-digit code to ensure the security of your money at all times. The UnionPay Debit Card is a modern and convenient payment solution that enables customers to make payments within a global network spanning over 181 countries and regions. You can now make payments using

Contactless technology at over 90% of stores in Cambodia and through UnionPay's vast network of over 63.5 billion stores and 1.76 billion ATMs worldwide. To celebrate the launch of AMK's UnionPay Debit Card, we were excited to offer a range of benefits, including:

- Free card opening service
- Free Annual Fee
- Receive 2% cashback on the first payment
- Receive 1% cashback on the subsequent payment

## NEW PRODUCT LAUNCHES

### TRANSFER TO VISA

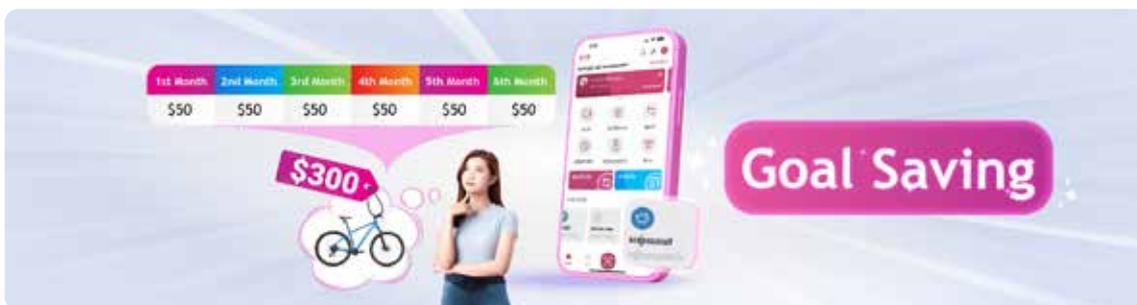


In September, AMK and Visa announced a partnership to make it easier and more convenient for customers to efficiently transfer money abroad and save. Customers can transfer money directly from their AMK account or AMK Mobile to any Visa card. This collaboration will eliminate traditional money transfers, making transactions faster and easier.

#### To transfer money with AMK Mobile:

- Access to AMK Mobile
- Choose “Transfers”, then choose “Transfer to VISA card”
- Then select an account and provide information such as the 16-digit Visa card number, recipient’s name, amount, and purpose.
- Finally, verify that all entered information is complete.

### GOAL SAVING ACCOUNT



In September, AMK Microfinance Institution launched a Goal Saving account on AMK Mobile. This account was created to help customers develop a saving habit. It allows them to create their own accounts and set a savings period using their own phone. This account’s feature allows you to set a savings goal and a timeline to achieve it. Once set, the account will display the monthly amount you need to save in order to reach your goal.

#### Product Features and Benefits

- Currency: KHR or USD
- Annual Interest rate: 3.5%
- Minimum balance: Nil
- Withholding tax: 4% for resident 14% for non-resident
- Initial Deposit: 200,000 Riel/\$50
- Minimum Savings Period: 3 months
- Account Opening: AMK Mobile
- Interest calculation: Interest is calculated daily based on the closing balance of the previous day, and it will be credited to the account at the end of each month.

## UNIONPAY CARD



In October 2023, 2023, AMK Microfinance Institution partnered with UnionPay to officially announce a new product: **the “AMK UnionPay Debit Card.”** This card is highly secure as it is connected to an EMV card chip and requires payment confirmation. The UnionPay Debit Card requires a 6-digit code to ensure the security of your money. It is a modern and convenient payment solution that enables customers to make payments within UnionPay’s network of over 63 billion stores and nearly 2 billion ATMs worldwide, including most ATMs and POS machines in China. You can use Contactless technology to make payments in over 90% of stores and shop online worldwide. AMK UnionPay Debit Cards come in three types: Easy Debit Card, Lucky Debit Card, and Luxury Debit Card. These cards can be used digitally with Contactless technology, making it fast and easy for customers to pay at any point of sale nationwide. Additionally, AMK UnionPay Debit Cardholders can easily make payments through UnionPay’s global network spanning over 180 countries, along with many other benefits such as:

- Free card opening service
- Free Annual Fee
- Receive 2% cashback on the first payment
- Receive 1% cashback on the subsequent payment



## CLIENT'S TESTIMONIAL



Ms. Hoeun Puthea

An AMK Agent located in Teuk Phos District, Kampong Chhnang Province.

Becoming an AMK Agent makes my life easier. Due to many people working in Korea, the most sought-after service is receiving money from Korea via E9Pay.



Mrs. Chea Kimnang

Mrs. Chea Kimnang and her husband, who is a client of AMK's loan client, are running their small shop.

AMK loan not only helped my business grow, but it also enabled me to purchase a tricycle for my husband's transportation needs and buy a plot of land.



Ms. Chhom Sros

Having a conversation about life insurance services with the staff from AMK and Dai-Ich-Life.

The insurance products offered by AMK helps Ms. Chhom Sros's family be protected and have peace of mind in the event of any unexpected event.





# 05

## **Environmental, Social, and Governance (ESG)**

AMK has a clear Social and Environmental Performance Management Framework that guides its operations and shapes strategic planning and risk management

- 60 AMK Social and Environmental Performance
- 66 Sustainable Financing  
Green Energy
- 68 Environmental Footprint
- 72 CSR Activities
- 74 Tax Paid Report

# AMK SOCIAL AND ENVIRONMENTAL PERFORMANCE

For these past 20 years, AMK’s commitment toward promoting financial inclusion to bring positive changes to people’s lives through financial services has always been very strong. To make sure AMK stays true to this commitment, AMK’s management has put in place three solid measures: (1) having SMART and articulated social

and environmental mission/objective, (2) having guiding standards and policies, and (3) having a dedicated Social and Environmental Performance Committee (SEC) to monitor key indicators of AMK’s Social and Environmental Performance.



To provide a range of responsible financial services to our clients from varying economic segments, particularly low-income households and women, to help them achieve their financial and household aspirations.



1. Adopted and implement Universal Standards for Social Performance Management [SPM]. For this, AMK implements and monitors progress of **FIVE key indicators**:

1	2	3	4	5
<b>Depth of Outreach</b>	<b>Adequacy of Product</b>	<b>Transparency and Client Protection</b>	<b>Responsibility to Staff</b>	<b>Changes on clients lives</b>

2. Developed and implement Environmental Social and Governance (ESG) Policy. The policy articulates our AMK’S ESG objective very clearly:

**“To provide the foundation for AMK’s client assessments and pathway to ensuring that AMK’s operation benefits stakeholders and contributes to the solutions for social and environmental sustainability”**

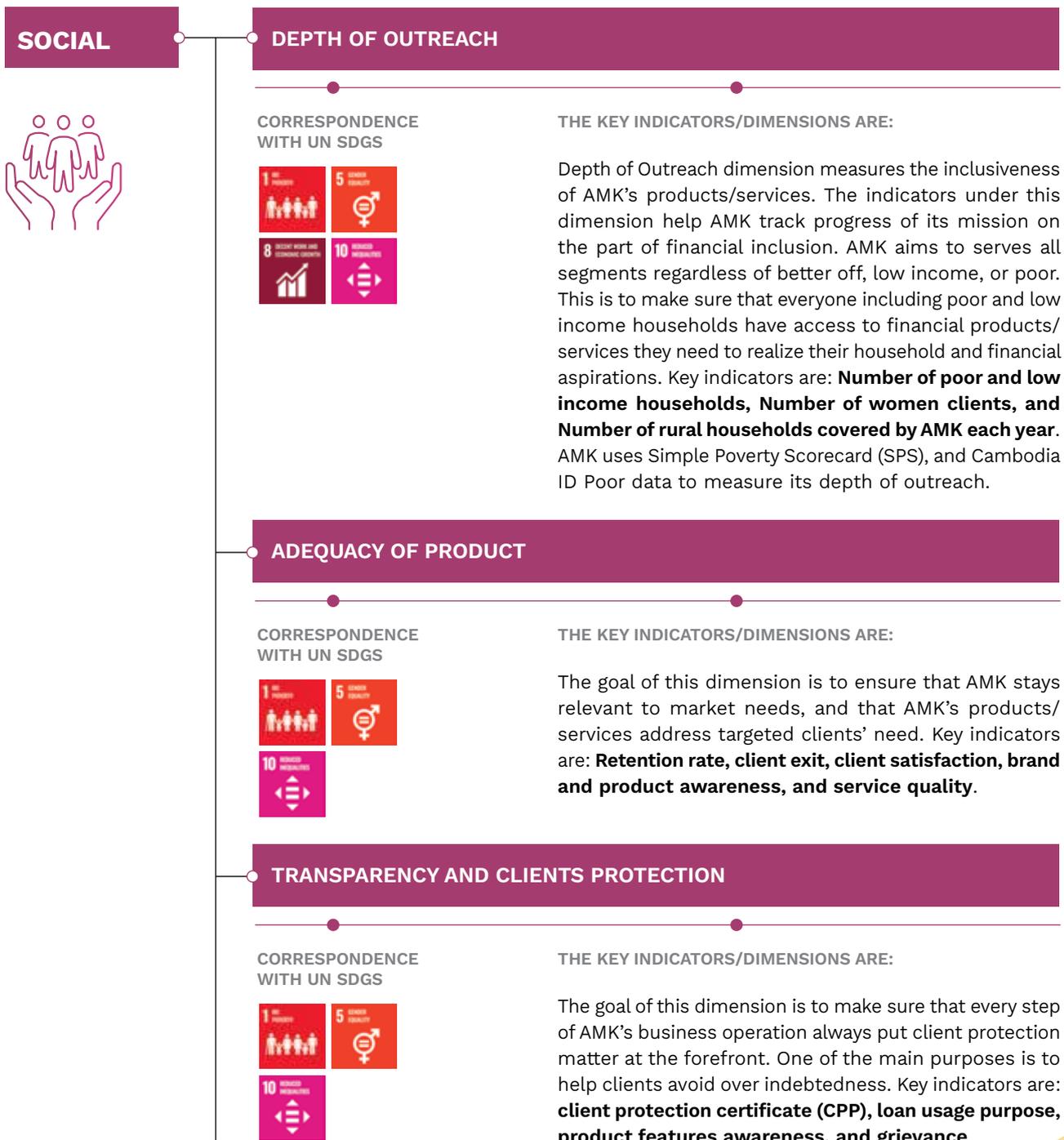


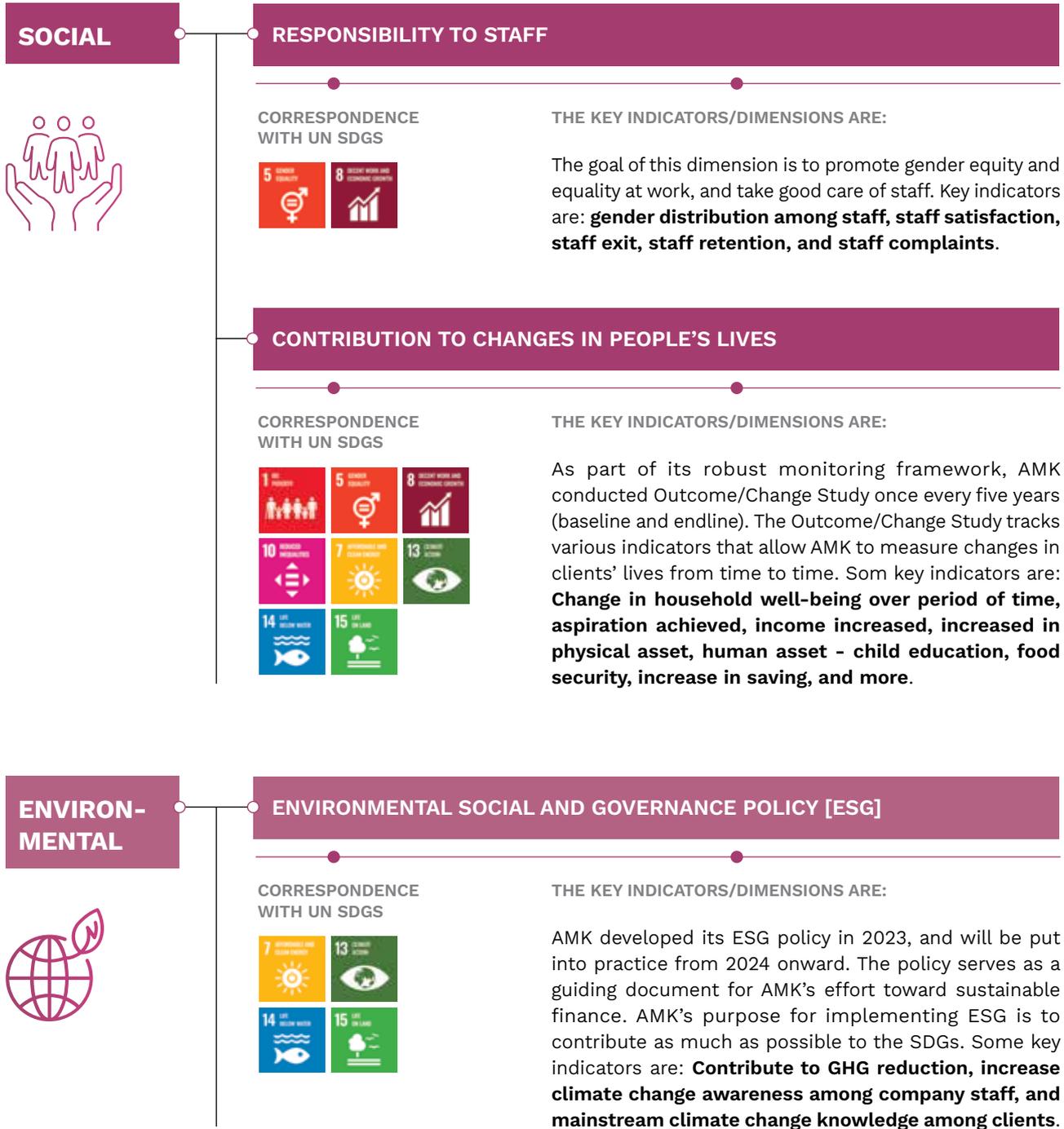
1	2	3	4
<b>Board</b> oversee the direction of AMK’s Social and Environmental Performance.	<b>Social and Environmental Committee (SEC)</b> assists the board to monitor the implementation and reports the result of AMK’s Social and Environmental Performance.	<b>Environmental Social and Governance Committee (ESG Committee)</b> oversees day-to-implementation and compliance of ESG policies, SOP, and reports the progress to SEC.	<b>Research Department</b> assists SEC and ESG committee in data collection, analysis, and reporting on the result based on key indicators of Social and Environmental Performance.

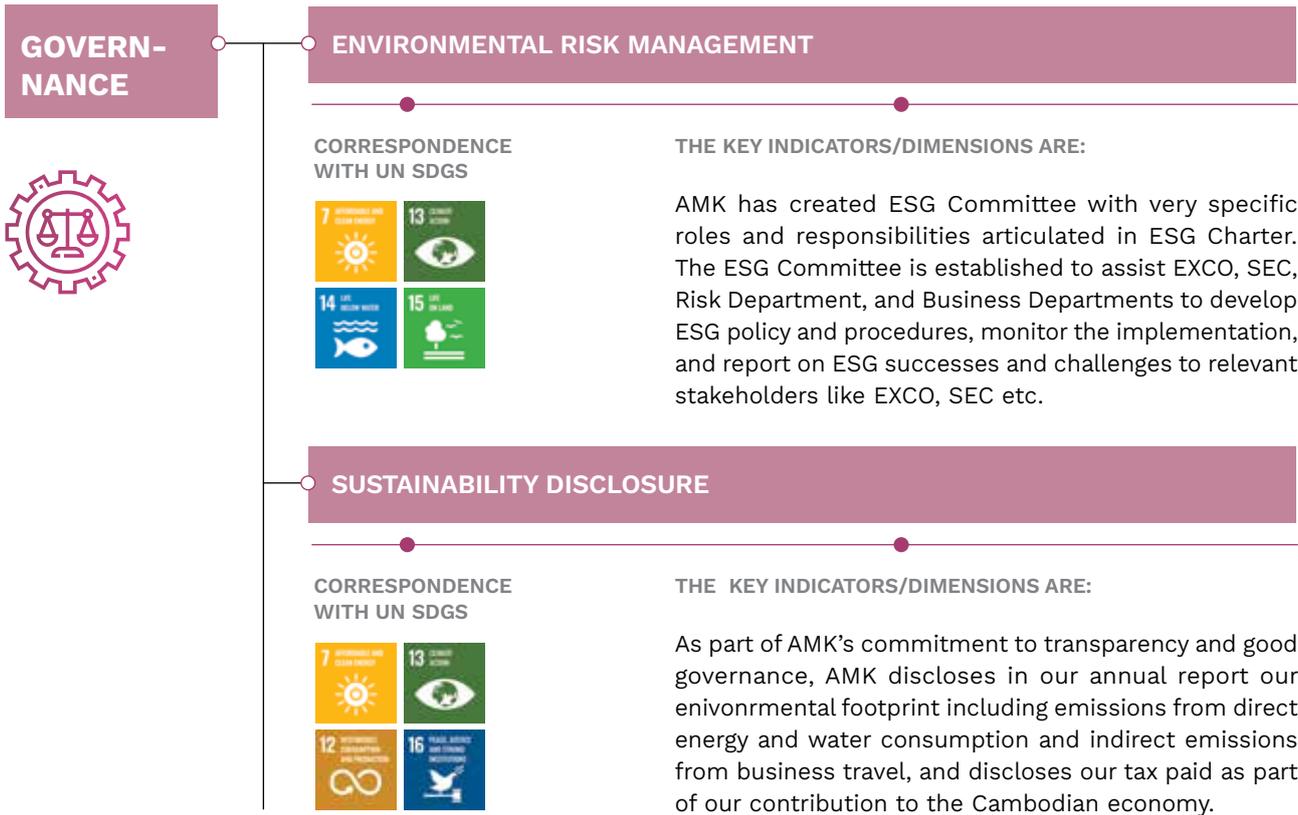
For the purpose of measuring and monitoring progress toward achieving its social and environmental performance goals/objectives, on an annual basis, research department collects relevant data, analyzes, and reports relevant results to ESG Committee and SEC. The analysis includes data from the AMK’s market research projects, secondary data from CMA and public, and internal MIS data. AMK uses those datasets to track six key indicators/dimensions

include: (1) Depth of Outreach, (2) Adequacy of Product, (3) Transparency and Client Protection, (4) Responsibilities to Staff, (5) Changes on clients’ lives, and (6) Environmental Social and Governance (ESG). These key indicators are aligned very closely with 10 Sustainable Development Goals (SDGs). AMK links these six key indicators/dimensions to specific the 10 SDGs based on areas that these indicators have most contribution toward SDGs.

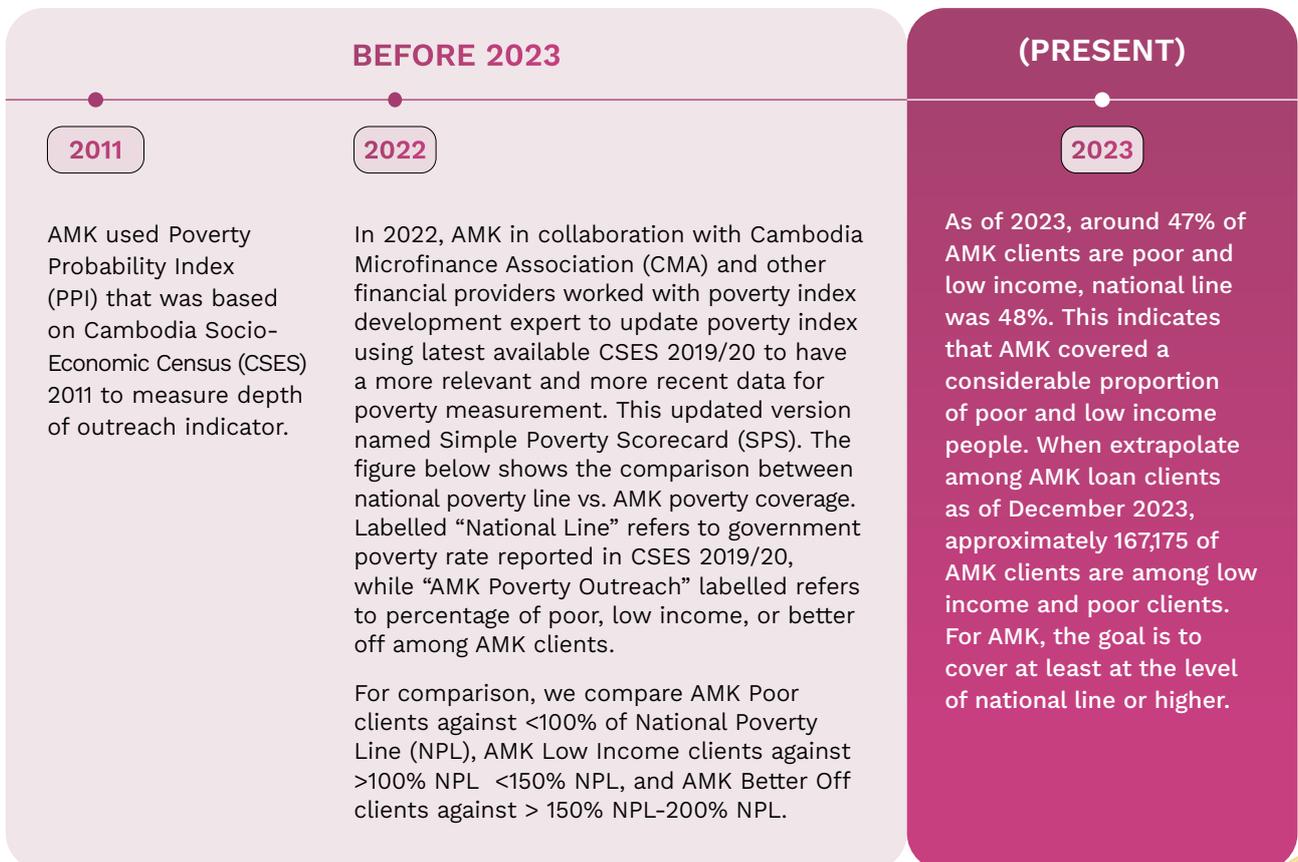
**THE KEY INDICATORS/  
DIMENSIONS ARE:**







**RESULT: DEPTH OF OUTREACH**



### Poverty Outreach 2023

Outreach by Segment SPS (Poor, Low Income, Better Off)  
[SPS 2023\_Poverty Headcount]

■ > 150% NPL-200% NPL [Better Off] ■ >NPL-150% [Low Income] ■ <NPL100% [Poor] ■ > NPL 200% [High Income]

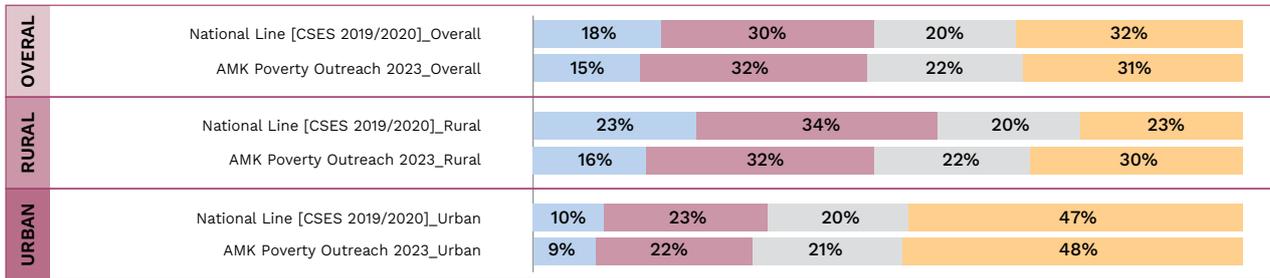
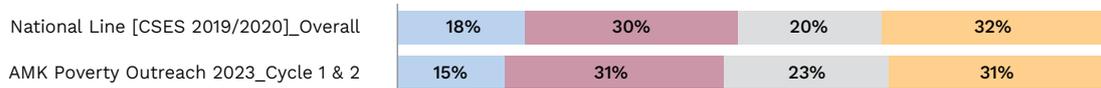


Figure 1: National line vs. AMK overall sample

### Poverty Outreach 2023

Outreach by Segment SPS (Poor, Low Income, Better Off) among new clients cycle 1 & 2  
[SPS 2023\_Poverty Headcount]

■ <NPL100% [Poor] ■ >NPL-150% [Low Income] ■ > 150% NPL-200% NPL [Better Off] ■ > NPL 200% [High Income]



## AMK LOAN CLIENTS

As of December 31, 2023, AMK has 355,155 active loan accounts. AMK always commits to stay true to its mission in increasing financial access for women. In 2023, approximately 80% of its loan clients are female. The average loan size is around 1,681 USD per person for Individual Loan (ID), and around 623 USD for group loan. Clients are loyal to AMK, on average they stay with AMK at least 3 cycles (approximately 77% of AMK clients stay with AMK between 2 to 10 cycles). They are all from various age groups (18 to 60+ years old).



**Empowering Women:**  
80% of AMK's loan clients are women entrepreneurs.



Total number of active loan accounts **(355,155)**

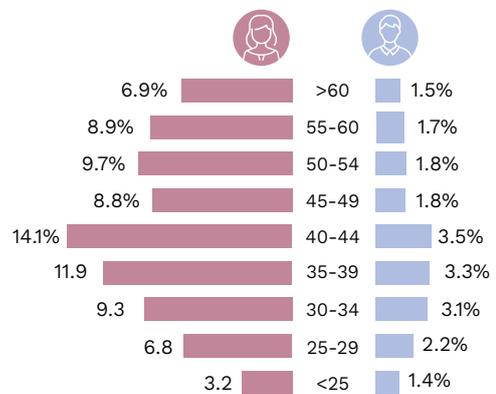


- Individual Loan (ID): **\$1,681** per person
- Group Loan: **\$623 USD**



- **Majority stay** with AMK for at least 3 cycles.
- **77% of clients stay** between 2-10 cycles.

### Amk's Loan Clients' Age Group in 2023



## RESULT: ADEQUACY OF PRODUCT

With fast-changing clients' demand and need in relation to financial products/services, AMK has put greater effort into innovating products/services that address clients' needs and preferences from time to time. AMK Research Department conducted Customer Satisfaction Survey every year to understand clients' changing needs, preferences, and to see what they like and do not like about AMK. AMK takes customer experience (CX) very seriously. Each business at AMK has their customer experience vision and strategy, and working toward achieving those visions. Customer Experience KPIs are also set so that the company can measure the success of each business' CX strategy. The internal market

research data as well as MIS data analytic is carried out continuously to keep business and management up to date with market trend. AMK uses market research, social research, market intelligent, and data analytics to drive most of its decision making. This include, but not limited to product development and refinement, marketing strategy, sale strategy, CSR, ESG etc. Although the interest cap could be a factor that impedes Financial Service Providers (FSPs) from lending small loan size to the rural poor, AMK still continue to make sure that appropriate and viable products/services are available to all layers of clients in Cambodia based on their needs.

## RESULT: TRANSPARENCY AND CLIENTS PROTECTION

In late 2016, AMK received the award of Client Protection Certification (CPP) from Smart Campaign, showcasing the efforts of all staff from field level to the top level in client protection. In 2018, AMK had its CPP Certificate recertified after an audit by an independent auditor. In 2023, AMK received CPP again. AMK practices a Code of Conduct to protect clients and serve them in a more transparent and accountable way. Research Department independently monitors the practice of all stakeholders to ensure that

AMK treats clients fairly and equally. Moreover, from 2021 to 2023 AMK participated in a program called Microfinance Index independently managed by 60 decibels. The index tracks the performance of participating financial service providers in Cambodia as well as in the region on key indicators relating to financial inclusion, client protection, and other impacts indicators.

## RESULT: RESPONSIBILITIES TO STAFF

It is crucial to recruit and retain excellent staff to work for AMK, and this is always prioritized since employees are the most valuable assets for AMK. In early 2021, AMK received Best Employer Branding Award for Cambodia that recognizes its investment and care toward staff. We received it again in 2022, and 2023. AMK is highly aware of the importance of employees' satisfaction levels on the working environment, human resource policy, benefits provision, staff career development, and the

root causes of staff exit. Human Resources Department and Research Department work together to constantly seek better solutions that lead to high staff satisfaction. In this regards, staff satisfaction and staff exit reports are produced every year for the management. Staff Satisfaction Report 2023 indicates the overall satisfaction score at about 4 out of 5, which is similar to that of the previous years' satisfaction level. This illustrates that staff are well taken care of at AMK.

# SUSTAINABLE FINANCING GREEN ENERGY

## Solar Green Energy Cambodia (SOGE)



**Goal by 2028: Serve  
12,000-15,000  
households (25,000  
hectares)**



**Benefits:  
Affordable water access  
for farmers, environmental  
sustainability**

AMK's commitment has always been promoting financial inclusion to bring positive changes to people's lives through financial services. AMK has a clear Social and Environmental Performance Management Framework that guides its operation to always take care of social and environmental aspects. For this reason, AMK has created and is offering a wide variety of financial services in response to customers' needs, while also taking the opportunity to create positive impact on the environment. For instance, offering a loan to Solar Green Energy Cambodia (SOGE) for a solar irrigation system is one among many AMK sustainable finance portfolios.

Started as a Renewable Energy Development Association (REDA) in 2008, SOGE has a very clear goal to promote and increase the use of renewable energy in Cambodia. With a strong commitment in the green energy sector, in December 2013 REDA

registered to become a private company named Solar Green Energy Cambodia (SOGE). SOGE began its operation as a private company in 2014 with just a few staff. The mission of the company is to produce and offer a wide variety of high quality products to the market including Solar on & off grid, Solar water pump, Solar hybrid, Solar back-up system, and more. After many years in business, in 2021 with some funding from major donors and development agencies, SOGE entered the solar irrigation business. First, SOGE bought an existing diesel run irrigation station, and converted it into a solar run irrigation station. This was the very first station that SOGE owned, and it was also the very first solar run irrigation station model in Cambodia. It is located in Batheay District, Kampong Cham province. In Batheay, SOGE started by serving just around 200 households only (or 500 hectares of farm land) as of late 2021. Then it expanded to around 350 households in 2022. With the passion and goal to promote green energy in Cambodia, in 2022 SOGE introduced its solar irrigation system service to another district (Kandeaung district) in Pursat province. For this expansion, SOGE started to engage with AMK knowing that AMK is one of the financial institutions that offers sustainable finance. SOGE started by taking a value chain financing loan around 80,000USD for this new project in Pursat. With this new station, SOGE was able to help more households having easy access to water. However, SOGE did not stop there because the goal is to serve between 12,000 to 15,000 farmer households (or ~25,000 hectares) by 2028. To reach this goal, SOGE then expanded its business operation to Kampong Thom province during 2022-2023 taking an additional loan from AMK's value chain financing product.

As of now, AMK has provided more than 300,000USD in total to SOGE for its solar irrigation project. To date,

with AMK loan, SOGE has been able to help about 1,100 farmer households easy access to water for their farms. This is not only helping community have access to water for farming activities at affordable cost, but also helps preserve the environment by reducing greenhouse gas emission into the atmosphere.

As part of our commitment to bring positive impact to the lives of clients, while also preserving the environment, AMK commits to contribute to the success of Sustainable Development Goal (SDGs) through financial service. We motivate individuals, and businesses that seek to protect the environment by offering customized product to them with special terms and conditions.



## ENVIRONMENTAL FOOTPRINT

As a part of our commitment to creating a positive impact for our clients and our community, AMK proactively analyzes our climate risks and carbon footprints and will continue to exploring opportunities to reduce our environmental impact and transition towards a low carbon future.

AMK's commitment to positive environmental impact has a both internal and external approach. Externally, AMK in 2023 launched its green loan product providing low-cost loans to support solar, biofuel, electronic vehicle and climate adaptive agriculture initiatives. Internally, AMK has taken significant voluntary actions and improvement measures to reduces the consumption of energy, paper and water resource, and reduces waste.

### Green Energy Loans and Climate Change Reduction

In 2023, AMK launched its green loans providing low cost access to finance to clients to enable them to reduce their carbon footprint and reduce their energy costs. This included provide concessional interest rates for clients to create solar energy generation, install battery storage, develop bio-energy digesters and to provide working capital to businesses in the green energy supply chain. Management has taken efforts to calculate an estimate of the emissions reduced attributable to AMK's green finance products in 2023, which are presented in the adjacent table.

Green Energy Segment	CO2 emissions reduced from AMK loans in 2023
Solar Energy Generation	667,501
Solar Energy Installation & Trading	322,663
Bio-Energy Installation & Trading	568,743

### Energy Use and Greenhouse Gas Emissions

AMK carefully monitors and tracks its energy use and greenhouse gas consumption. The energy consumption of AMK's locations is primarily driven by the purchase of electricity and gasoline and diesel fuels. As part of its streamlined operations, AMK both operates its own motorbikes and vehicles, and

also leases the motorbikes from our staff to support their business travel.

To drive behavior changes and encourage energy efficiency, in 2023, AMK commenced an internal energy efficiency campaign across all 147 branches, leading to electricity savings of up to 20%.

Energy Consumption Activity	Unit	2021	2022	2023
<b>Direct Energy Consumption</b>				
Gasoline	Litres	124,080	130,706	118,409
Diesel - Motor Vehicle	Litres	72,306	84,670	69,215
Diesel - Generator	Litres	6,120	6,553	8,141
<b>Purchased Energy Consumption</b>				
Purchase of electricity - Non-renewable	KiloWatt Hours	2,194,754	2,322,803	2,596,660
Purchase of water	Cubic Metres	43,172	44,596	44,387
<b>Indirect Energy Consumption</b>				
Upstream Electricity	KiloWatt Hours	51,102	57,477	66,758
Business Travel - Motorbike	Kilometres	14,629,041	17,715,482	18,247,992
Business Travel - Car	Kilometres	68,063	87,781	114,193
Business Travel - Airline	Kilometres	-	11,348	192,371

Note that upstream electricity refers to AMK's offsite server consumption, which is the most material element, but not AMK's complete activities.

## Greenhouse Gas Emissions

In order to better understand its greenhouse gas emissions and carbon footprint, in 2023, AMK conducted a greenhouse gas inventory, targeting the

most material emissions and progressing towards the framework of the Greenhouse Gas Protocol Corporate Value Chain. The classifications are categorized as follows:

Classification	Definition
<b>Scope 1</b>	Direct <b>greenhouse gas</b> emissions that occur from sources that are owned or controlled by an entity.
<b>Scope 2</b>	<b>Indirect greenhouse gas emissions</b> from the generation of purchased or acquired electricity, steam, heating or cooling consumed by an entity. Purchased and acquired electricity is electricity that is purchased or otherwise brought into an entity's boundary. Scope 2 emissions physically occur at the facility where electricity is generated.
<b>Scope 3</b>	<b>Indirect greenhouse gas emissions</b> (not included in <b>Scope 2</b> ) that occur in the <b>value chain</b> of an entity, including both upstream and downstream emissions. The Greenhouse Gas Protocol Corporate Value Chain framework comprises 15 categories, of which AMK has performed calculations for five categories in 2023.

There remains key categories of Scope 3 emissions which are not yet disclosed due to data availability and completeness limitation. AMK is taking action to enhance its data quality and expand its reporting disclosures, through enhanced data collection, surveys and studies.

The calculated emissions are presented in the following table:

Emissions	2021	2022	2023
<b>Scope 1 Emissions</b>			
Gasoline	290,309	305,811	277,041
Diesel - Motor Vehicle	195,627	229,078	187,264
Diesel - Generator	16,559	17,729	22,025
<b>Scope 1 Total Emissions</b>	<b>502,495</b>	<b>552,618</b>	<b>486,330</b>
<b>Scope 2 Emissions</b>			
Purchase of electricity - Non-renewable	1,290,089	1,365,357	1,526,332
Purchase of water	6,433	6,645	6,614
<b>Scope 2 Total Emissions</b>	<b>1,296,521</b>	<b>1,372,002</b>	<b>1,532,945</b>
<b>Scope 3 Emissions</b>			
Upstream Electricity	30,038	33,785	39,241
Business Travel - Motorbike	1,215,088	1,471,448	1,515,678
Business Travel - Car	14,103	18,189	23,662
Business Travel - Airline	-	934	12,909
<b>Scope 3 Total Emissions</b>	<b>1,296,521</b>	<b>1,372,002</b>	<b>1,532,945</b>
<b>Total Emissions</b>	<b>3,058,245</b>	<b>3,448,976</b>	<b>3,610,773</b>

Data conversion is sourced from the UN's Greenhouse Gas Emissions Calculator calculations for Cambodia, published with 2021 emissions factors. Management considers this the most reliable emission factors available at the time of reporting.

# ENVIRONMENTAL FOOTPRINT

## Water Resource

100% of the water AMK uses is from third parties, such as the Phnom Penh Water Supply Authority. There is no other water source supply like using the groundwater. The used wastewater will be released

to the sewage systems. The systems collect the wastewater to the sewage treatment plant for processing. As a result, the operations do not cause any pollution to other surface water body.

Water Resource			
	2021	2022	2023
Water Withdrawal (Million Liter)	43	45	46
Water Withdrawal Per Person (Ten Thousand Liters)	1.27	1.25	1.26



# CSR ACTIVITIES



AMK strives for a Cambodian society where people have equal opportunities in economic and social activities to improve their lives, while also emphasizing responsibility within society. In 2023, we participated in various social activities by contributing cash and providing assistance in different sectors.



## EDUCATION

AMK has made contributions to various areas of education, including providing study materials and dental equipment to students in need, and donating books to the libraries of two primary schools in the Kampong Leng district. At AMK, we donated four smart TVs, a set of slide projectors, and study materials to students at a primary school in Kampong Tralach district. Furthermore, AMK also donate thousand of book to other school in other province through collaboration with its partners/stakeholders.



## HEALTH

AMK also contributes to the well-being of children through fundraising, which we offer through the AMK Mobile Banking App to hospitals such as Angkor Hospital for Children and Kantha Bopha Hospital. Every year, the staff of AMK join together to donate blood. In 2023, we organized three donation drives: **the first at Kantha Bopha Hospital and the second and third at the National Blood Transfusion Center**. In total, we donated 23,450 milliliters of blood, enough to save 195 lives. Additionally, we provide financial support to Smile Cambodia, an organization that offers free surgery for cleft lip/palate and other facial deformities.



## ROAD SAFETY

AMK contributes to the improvement of road traffic safety by distributing free helmets to Cambodians and participating in the 7th campaign under the theme **“A Helmet, A Life”** organized by Total Energy.

# TAX PAID REPORT

UNITS IN \$US	2021	2022	2023
Annual Profit Tax	3,508,351	3,959,288	1,332,020
Tax on Salary & Benefits	930,207	1,077,755	1,170,191
Withholding Tax (Interest)	1,105,789	2,083,426	3,774,833
Withholding Tax (Other)	848,667	782,719	722,451
Other Indirect Taxes	140,923	189,669	332,075
<b>Total Taxes Paid</b>	<b>6,533,937</b>	<b>8,092,856</b>	<b>7,331,570</b>

**06**

## **Risk Management**

The pursuit of AMK's business strategy and operating model inherently carries risks; AMK, thus, recognizes that sound risk management is crucial to the success of its business activities.

# RISK MANAGEMENT

In 2023, AMK continued to improve the risk awareness and fostering a risk culture. This was achieved through the implementation of the Enterprise Risk Management Framework (ERMF) across all business and enablement functions. The Framework is continuously evaluated to ensure its alignment with the evolving challenges and market requirements that AMK operates within, including regulatory standards and industry best practices. The

Framework serves the purpose of consistently promoting a risk culture, defined by the ‘tone from the top’ approach, which aims to provide a coherent understanding of risk management throughout the institution.

AMK’s risk culture, which believes risk management is a responsibility shared by all AMK’s staff, is embedded through the following risk governance structure<sup>1</sup>:



## Provides oversight of the 3 Lines of Defence



### First Line of Defence

-  Strategy, Performance, and Risk Management
-  Departments, Units, Branches
-  Identification and Management of Risk in the Business

### Second Line of Defence

-  Policy and Monitoring
-  Oversight Functions
-  Framework, Risk Oversight, and Reporting

### Third Line of Defence

-  Independent Assurance
-  Internal Audit
-  Independent Challenge and Review of Adequacy and Effectiveness of Process and Controls

<sup>1</sup> BRC: Board Risk Committee, BALCO: Board Asset and Liabilities Committee, AFC: Audit and Finance Committee

Working closely with the support functions, the First Line of Defence is the front office that has a clear responsibility for risk in terms of identifying risks and promptly reporting any changes in the risk profile of its respective business.

As the Second Line of Defense, the Risk and Compliance Function has the responsibility to develop, oversee, and report on risk frameworks. Additionally, the Risk Function is responsible for identifying portfolio risks and ensuring they remain within approved limits. This function also monitors the reporting and portfolio, taking into account current and potential future developments of the business and the evolving risk environment.

Finally, Internal Audit forms the third line of defense, serving as a completely independent check to ensure adherence to approved policies and procedures.

Amongst the risks identified in the overall ERMF, AMK recognizes various risks, some of which are familiar while others have emerged due to regulatory changes, stakeholder concerns, or shifts in the competitive landscape. Regardless of their nature, AMK considers all these risks critical.

**BOARD LEVEL** ↓

**BRC**  
BOARD RISK COMMITTEE

**BALCO**  
BOARD ASSET AND LIABILITIES COMMITTEE

**MANAGEMENT LEVEL** ↓

<b>EXCO</b> EXECUTIVE COMMITTEE	<b>RMC</b> RISK MANAGEMENT COMMITTEE	<b>CRC</b> CREDIT RISK COMMITTEE	<b>ITC</b> IT COMMITTEE	<b>ALCO</b> ASSET AND LIABILITIES COMMITTEE	<b>PDC</b> PRODUCT DEVELOPMENT COMMITTEE
<ul style="list-style-type: none"> <li>• Business Strategy Risk</li> <li>• Reputation Risk</li> </ul>	<ul style="list-style-type: none"> <li>• Operational Risk</li> <li>• Legal</li> <li>• Compliance</li> </ul>	<ul style="list-style-type: none"> <li>• Credit Risk</li> <li>• Portfolio Risk</li> <li>• Counterparty Risk</li> </ul>	<ul style="list-style-type: none"> <li>• Technology Risk</li> <li>• Information Security</li> <li>• Disaster Recovery Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Liquidity and Funding Risk</li> <li>• Interest Rate Risk</li> <li>• Foreign Exchange Risk</li> <li>• Balance Sheet Structuring</li> <li>• Capital Management</li> </ul>	<ul style="list-style-type: none"> <li>• New Product Service, Policy, and process development</li> <li>• Major/minor enhancement of the existing products, service, and process within AMK</li> <li>• Policy and Procedure development and enhancement</li> </ul>

AMK’s Risk Management function continues to use the bottom-up approach within the defined Key Risk Indicators (KRI) and policies. This approach allows for structured feedback for constant improvement of the existing system and processes. The ultimate objective is to ensure that AMK’s business operates within an acceptable and well-mitigated risk level. The structured-

loop-feedback consists of periodical reviews of each business risk register, analysis of internal and external risk incidents related to AMK, as well as examination of audit finding reports. As a result of these efforts, numerous policies and procedures have been enhanced across AMK.



**2024 Risk Management Focus Areas** 



**Credit Risk**

The credit market in Cambodia is undergoing maturation and intensifying competition. Concerns such as over-indebtedness, excessive credit growth, and non-performing loans persist in the Cambodian financial sector. The country’s economic outlook is slowly recovering, especially in the tourism, textile, construction, and real estate sectors. Despite this, AMK remains committed to serving rural communities and Micro-Small & Medium Enterprises (MSME) while the latter is on the progressive rise. In addition, AMK also engages in supply chain financing as an integral part of supporting local SMEs in accessing finance. Therefore, the strengthening of credit product policy, credit quality monitoring, loan underwriting process, and the application of forward-looking credit risk calculation/monitoring continue to be the most crucial part of AMK’s credit risk management.



**Operational Risk**

The key strategy in Operational Risk Management is Risk Management Uplift. The uplift plan aims to be implemented across various functions, including Credit, Deposit, Agent Management, and Support Functions. The objective of the uplift is to further enhance the effectiveness and efficiency of the existing vital controls, ensuring that AMK’s operations are well functioning. Hence, the strengthening of overall operational risk management, internal control, and fraud risk management continue to be the significant part of AMK’s operation risk management.



**Technology Risk and Information Security**

With the broadening and increasing distribution channels, this is becoming an essential emerging risk. AMK is fully committed to addressing this threat and has implemented a comprehensive set of controls to identify and mitigate risks to its customers and business. The executive team has already engaged in discussions regarding the top emerging risks and incidents of 2023, which have resulted in clear enhancements to Information Technology (IT) and Management Information System (MIS) security.



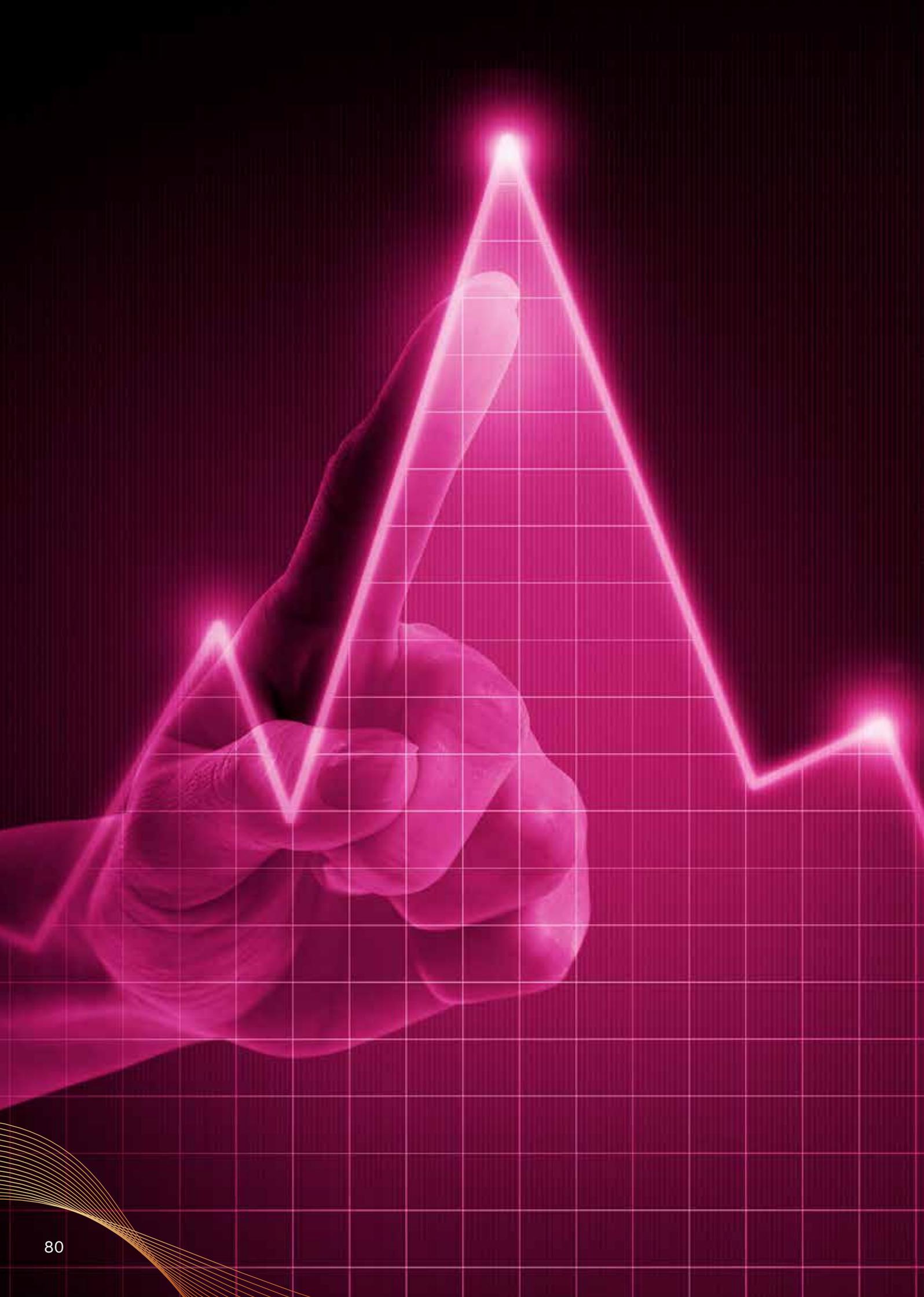
#### **Regulatory Development:**

The evolving regulatory landscape requires continuous vigilance in monitoring both international and domestic regulatory developments. This ensures that AMK remains up-to-date with any changes that may impact its business. New requirements are thoroughly analyzed and communicated to the relevant stakeholders. If applicable, these requirements are integrated into the company's processes and systems.



#### **Financial Risk**

In accordance with the National Bank of Cambodia's Liquidity Risk Coverage Framework, Liquidity Risk Management remains a top priority among other financial risks. AMK has also placed additional focus on addressing global economic challenges, including effectively managing interest rate risk. AMK's strategy is to ensure that both short and long term commitment is met, and AMK is well prepared for any potential changes. To ensure preparedness in the face of significant uncertainty, AMK conducts thorough liquidity stress testing and other scenario-based stress testing exercises, which ensures that liquidity risk, interest rate risk, and other financial risk are robustly managed.



# 07

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## Financial Report

The Board of Directors is pleased to present its report and the audited financial statements of AMK Microfinance Institution Plc for the year ended 31 December 2023

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# REPORT OF THE BOARD OF DIRECTORS

The Board of Directors (the “Directors”) is pleased to present its report and the audited financial statements of AMK Microfinance Institution Plc. (the “Company”) for the year ended 31 December 2023.

## PRINCIPAL ACTIVITIES

The principal activity of the Company is to provide loans, savings and other related financial services through its head office in Phnom Penh and its various offices in the Kingdom of Cambodia.

## FINANCIAL RESULTS

The financial performance of the Company for the year ended 31 December 2023 is set out in the statement of profit or loss and other comprehensive income.

## RESERVES AND PROVISIONS

There were no material movements in reserves and provisions during the year other than those disclosed in the financial statements.

## DIVIDENDS

There was no dividend declared or paid during the year (2022: nil).

## SHARE CAPITAL

The paid up capital of the Company as at 31 December 2023 was KHR 273,662,450 thousand or approximately US\$ 66,992,032 (2022: KHR 273,662,450 thousand or approximately US\$ 66,471,326).

## BAD AND DOUBTFUL LOANS

Before the financial statements of the Company were prepared, the Directors took reasonable steps to ascertain that appropriate action had been taken in relation to the writing off of bad loans and making allowance for doubtful loans, and satisfied themselves that all known bad loans had been written off and adequate allowance had been made for bad and doubtful loans.

## ASSETS

Before the financial statements of the Company were prepared, the Directors took reasonable steps to ensure that any assets, which were unlikely to be realised in the ordinary course of business at their values as shown in the accounting records of the Company had been written down to amounts which they might be expected to realise.

At the date of this report, the Directors are not aware of any circumstances, which would render the values attributable to the assets in the financial statements of the Company misleading.

## CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

1. any charge on the assets of the Company which has arisen since the end of the year which secures the liabilities of any other person except as disclosed in the financial statements; and
2. any contingent liability in respect of the Company that has arisen since the end of the year other than in the ordinary course of its business operations.

No contingent or other liability of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the year which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

## CHANGE OF CIRCUMSTANCES

At the date of this report, the Directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Company, which would render any amount stated in the financial statements misleading in any material respect.

## ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Company for the year were not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operations of the Company for the current financial year in which this report is made.

## EVENTS AFTER THE REPORTING DATE

No significant events occurred after the statement of financial position date requiring disclosures or adjustments other than those disclosed in the financial statements, if any.

## THE BOARD OF DIRECTORS

The members of the Board of Directors holding office during the year and at the date of this report are:

Mr. John Con-Sing Yung	Chairman
Mr. Chetan Tanmay	Director
Mr. Kea Borann	Director
Mr. Chien-Chih Cheng	Director
Mr. Chien-Ling Cheng	Director
Mr. Cheng-Chung Chen	Director (appointed 7 November 2023)
Mr. Shih-Pang Chang	Director (resigned 7 November 2023)
Mr. Tip Janvibol	Independent Director
Ms. Heng Seida	Independent Director
Ms. Blandine Claudia Marie Pons	Independent Director

## DIRECTORS' INTERESTS

No directors held any interest in the equity of the Company. No arrangements existed to which the Company is a party with the object of enabling the directors to obtain an interest in the Company or in any corporate body.

## DIRECTORS' BENEFITS

During and at the end of the year, no arrangement existed to which the Company is a party with the objective of enabling Directors of the Company to acquire benefits by means of the share purchase option.

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than as disclosed in the financial statements.

## RESPONSIBILITIES OF THE DIRECTORS IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for ascertaining that the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended. In preparing these financial statements, the Directors are required to:

- adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- comply with the requirements of Cambodian International Financial Reporting Standards ("CIFRS"), or, if there have been any departures in the interests of fair presentation, these have been appropriately disclosed, explained and quantified in the financial statements;
- maintain adequate accounting records and an effective system of internal controls;
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Company will continue operations in the foreseeable future; and
- effectively control and direct the Company and is involved in all material decisions affecting the operations and performance and ascertain that such have been properly reflected in the financial statements.

The Directors confirm that the Company has complied with the above requirements in preparing the financial statements.

## STATEMENT OF THE BOARD OF DIRECTORS

The accompanying financial statements present fairly, in all material respects, the financial position of AMK Microfinance Institution Plc. as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with CIFRS, and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors



**Mr. John Con-Sing Yung**

Chairman

Phnom Penh, Kingdom of Cambodia

Date: 02 April 2024

# INDEPENDENT AUDITOR'S REPORT

To the shareholders of AMK Microfinance Institution Plc.

## Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of AMK Microfinance Institution Plc. (the Company) 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 Company'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 then ended; and
- the notes to the financial statements, comprising 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 Company 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

Management is responsible for the other information. The other information obtained at the date of this auditor's report are the report of board of directors and the supplementary financial information and other disclosures required by the National Bank of Cambodia but do 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 on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## 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 are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

**Auditor’s responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. 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 Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

For PricewaterhouseCoopers (Cambodia) Ltd.



**By Lang Hy**  
Partner

Phnom Penh, Kingdom of Cambodia  
3 April 2024

# STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	2023		2022	
	KHR'000	US\$	KHR'000	US\$
			Restated (*)	
<b>ASSETS</b>				
Cash on hand	114,283,450	27,976,365	120,960,981	29,380,855
Balances with the NBC	282,292,205	69,104,579	242,327,781	58,860,282
Balances with other banks	246,882,303	60,436,304	180,986,348	43,960,735
Loans to customers	2,264,042,756	554,233,233	2,273,624,742	552,252,791
Debt securities measured at amortised cost	4,146,295	1,015,005	8,162,043	1,982,522
Property and equipment	19,426,631	4,755,601	14,746,749	3,581,916
Intangible assets	6,297,477	1,541,610	7,597,718	1,845,450
Right-of-use assets	32,012,078	7,836,494	28,985,002	7,040,321
Deferred tax assets	19,510,270	4,776,076	21,770,401	5,287,928
Other assets	23,862,485	5,841,490	25,415,215	6,173,237
<b>TOTAL ASSETS</b>	<b>3,012,755,950</b>	<b>737,516,757</b>	<b>2,924,576,980</b>	<b>710,366,037</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
Deposits from customers	1,118,843,370	273,890,666	1,012,542,012	245,941,708
Deposits from other financial institutions	33,916,309	8,302,646	37,205,881	9,037,134
Current tax liabilities	453,919	111,118	11,768,961	2,858,625
Other liabilities	25,762,473	6,306,604	28,924,592	7,025,648
Lease liabilities	31,260,732	7,652,566	28,771,782	6,988,531
Borrowings	1,173,606,275	287,296,518	1,235,311,746	300,051,432
Subordinated debts	57,440,892	14,061,418	26,943,629	6,544,481
Provision for employee benefit obligations	30,514,052	7,469,780	26,679,531	6,480,333
<b>TOTAL LIABILITIES</b>	<b>2,471,798,022</b>	<b>605,091,316</b>	<b>2,408,148,134</b>	<b>584,927,892</b>
<b>EQUITY</b>				
Share capital	273,662,450	66,992,032	273,662,450	66,471,326
Share premium	22,425,355	5,489,683	22,425,355	5,447,014
Reserves	173,674,175	42,507,105	72,000,000	17,164,185
Retained earnings	71,195,948	17,436,621	148,341,041	36,355,620
<b>TOTAL EQUITY</b>	<b>540,957,928</b>	<b>132,425,441</b>	<b>516,428,846</b>	<b>125,438,145</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>3,012,755,950</b>	<b>737,516,757</b>	<b>2,924,576,980</b>	<b>710,366,037</b>

This is an extracted report and should be read in conjunction with the full audited financial statements, which are available on AMK's website and offices.

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Year ended 31 December 2023		Year ended 31 December 2022	
	KHR'000	US\$	KHR'000	US\$
				Restated (*)
Interest income	444,364,032	108,117,769	422,107,840	103,280,607
Interest expense	(172,811,037)	(42,046,481)	(128,594,213)	(31,464,207)
<b>Net interest income</b>	<b>271,552,995</b>	<b>66,071,288</b>	<b>293,513,627</b>	<b>71,816,400</b>
Fee and commission expense	(19,907,848)	(4,843,759)	(18,189,590)	(4,450,597)
Other income	42,409,184	10,318,536	29,935,499	7,324,565
<b>Total operating income</b>	<b>294,054,331</b>	<b>71,546,065</b>	<b>305,259,536</b>	<b>74,690,368</b>
Grant income	39,742	9,671	-	-
Personnel expenses	(127,372,837)	(30,990,958)	(119,858,307)	(29,326,721)
Depreciation and amortisation	(18,573,846)	(4,519,184)	(17,548,828)	(4,293,816)
Other operating expenses	(46,582,893)	(11,334,037)	(47,967,955)	(11,736,715)
Net impairment loss on financial instruments	(71,994,746)	(17,516,970)	(59,490,765)	(14,556,096)
Other gains/(losses)	201,722	49,081	(85,467)	(20,912)
<b>Profit before income tax</b>	<b>29,771,473</b>	<b>7,243,668</b>	<b>60,308,214</b>	<b>14,756,108</b>
Income tax expense	(6,916,566)	(1,682,863)	(12,562,879)	(3,073,863)
<b>Net profit for the year</b>	<b>22,854,907</b>	<b>5,560,805</b>	<b>47,745,335</b>	<b>11,682,245</b>
Other comprehensive income:				
Items that may be reclassified to profit or loss				
Hedging gains/(losses), net of tax	(460,166)	(111,963)	-	-
Items that will not be reclassified to profit or loss				
Remeasurement of employee benefits, net of tax	2,134,341	519,304	-	-
Currency translation differences	-	1,019,150	-	(1,051,631)
	1,674,175	1,426,491	-	(1,051,631)
<b>Total comprehensive income for the year</b>	<b>24,529,082</b>	<b>6,987,296</b>	<b>47,745,335</b>	<b>10,630,614</b>
Profit attributable to owners of the Company	22,854,907	5,560,805	47,745,335	11,682,245
Total comprehensive income attributable to owners of the Company	24,529,082	6,987,296	47,745,335	10,630,614

This is an extracted report and should be read in conjunction with the full audited financial statements, which are available on AMK's website and offices.

# STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital		Share premium	
	KHR'000	US\$	KHR'000	US\$
Balance as at 1 January 2022	181,974,950	44,667,391	22,425,355	5,504,505
Effect of amendments to CIAS 12S		-		-
<b>Restated balance at 1 January 2022</b>	<b>181,974,950</b>	<b>44,667,391</b>	<b>22,425,355</b>	<b>5,504,505</b>
Net profit for the year	-	-	-	-
Currency translation differences	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transactions with owners in their capacity as owners:</b>				
Issuance of new share capital	91,687,500	22,270,464	-	-
Transfer to reserves	-	-	-	-
Currency translation differences	-	(466,529)	-	(57,491)
	91,687,500	21,803,935	-	(57,491)
<b>Balance as at 31 December 2022</b>	<b>273,662,450</b>	<b>66,471,326</b>	<b>22,425,355</b>	<b>5,447,014</b>
Balance as at 1 January 2023	273,662,450	66,471,326	22,425,355	5,447,014
Net profit for the year	-	-	-	-
Remeasurement of employee benefits, net of tax	-	-	-	-
Hedging loss, net of tax	-	-	-	-
Currency translation differences	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transactions with owners in their capacity as owners:</b>				
Transfer to reserves	-	-	-	-
Currency translation differences	-	520,706	-	42,669
	-	520,706	-	42,669
<b>Balance as at 31 December 2023</b>	<b>273,662,450</b>	<b>66,992,032</b>	<b>22,425,355</b>	<b>5,489,683</b>

*This is an extracted report and should be read in conjunction with the full audited financial statements, which are available on AMK's website and offices.*

Reserves		Retained Earnings		Total	
KHR'000	US\$	KHR'000	US\$	KHR'000	US\$
96,011,603	23,566,913	76,093,220	18,677,766	376,505,128	92,416,575
	-	490,883	120,492	490,883	120,492
<b>96,011,603</b>	<b>23,566,913</b>	<b>76,584,103</b>	<b>18,798,258</b>	<b>376,996,011</b>	<b>92,537,067</b>
-	-	47,745,335	11,682,245	47,745,335	11,682,245
-	(527,611)	-	-	-	(527,611)
-	(527,611)	47,745,335	11,682,245	47,745,335	11,154,634
-	-	-	-	91,687,500	22,270,464
(24,011,603)	(5,875,117)	24,011,603	5,875,117	-	-
-	-	-	-	-	(524,020)
(24,011,603)	(5,875,117)	24,011,603	5,875,117	91,687,500	21,746,444
<b>72,000,000</b>	<b>17,164,185</b>	<b>148,341,041</b>	<b>36,355,620</b>	<b>516,428,846</b>	<b>125,438,145</b>
72,000,000	17,164,185	148,341,041	36,355,620	516,428,846	125,438,145
-	-	22,854,907	5,560,805	22,854,907	5,560,805
2,134,341	519,304	-	-	2,134,341	519,304
(460,166)	(111,963)	-	-	(460,166)	(111,963)
-	455,775	-	-	-	455,775
1,674,175	863,116	22,854,907	5,560,805	24,529,082	6,423,921
100,000,000	24,479,804	(100,000,000)	(24,479,804)	-	-
-	-	-	-	-	563,375
100,000,000	24,479,804	(100,000,000)	(24,479,804)	-	563,375
<b>173,674,175</b>	<b>42,507,105</b>	<b>71,195,948</b>	<b>17,436,621</b>	<b>540,957,928</b>	<b>132,425,441</b>

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Year ended 31 December 2023		Year ended 31 December 2022	
	KHR'000	US\$	KHR'000	US\$
			Restated(*)	
<b>Cash flows from operating activities</b>				
Profit before income tax	29,771,473	7,243,668	60,308,214	14,756,108
Adjustments for:				
Depreciation and amortisation	18,573,846	4,519,184	17,548,828	4,293,816
Net impairment loss on financial instruments	71,994,746	17,516,970	59,490,765	14,556,096
Increase in provision for employee benefit obligations	4,515,710	1,098,713	8,626,183	2,110,639
Net gain from other financial instruments at FVTPL	-	-	(94,200)	(23,049)
Loss on disposal of property and equipment	17,060	4,151	24,839	6,078
Loss on disposal of intangible assets	8,231	2,003	61,595	15,071
Gain on disposal of property and equipment	(227,013)	(55,234)	(967)	(237)
Unrealised foreign exchange differences	(2,749,124)	(668,887)	2,195,889	537,286
Interest income	(444,364,032)	(108,117,769)	(422,107,840)	(103,280,607)
Interest expense	172,811,037	42,046,481	128,594,213	31,464,207
	(149,648,066)	(36,410,720)	(145,352,481)	(35,564,592)
Changes in working capital:				
Balances with the NBC	(5,691)	(1,385)	208,841	51,099
Balances pledged as security with other banks	(19,465,000)	(4,736,010)	(70,548,000)	(17,261,561)
Statutory deposits	(52,784,944)	(12,843,052)	(15,186,056)	(3,715,698)
Loans to customers	(57,623,473)	(14,020,310)	(422,545,903)	(103,387,791)
Other assets	103,249	25,121	(10,982,939)	(2,687,286)
Deposits from customers	101,078,317	24,593,264	31,200,440	7,634,069
Deposits from banks and other financial institutions	(3,438,522)	(836,623)	(14,355,807)	(3,512,554)
Other liabilities	(3,568,901)	(868,346)	3,774,106	923,442
Cash used in operations	(185,353,031)	(45,098,061)	(643,787,799)	(157,520,872)
Interest received	429,691,612	104,547,837	424,209,835	103,794,919
Interest paid	(161,463,590)	(39,285,545)	(130,029,233)	(31,815,325)
Income tax paid	(16,324,331)	(3,971,857)	(15,064,432)	(3,685,939)
<b>Net cash generated from/(used in) operating activities</b>	<b>66,550,660</b>	<b>16,192,374</b>	<b>(364,671,629)</b>	<b>(89,227,217)</b>

	<b>Year ended 31 December 2023</b>		<b>Year ended 31 December 2022</b>	
	KHR'000	US\$	KHR'000	US\$
			Restated(*)	
<b>Cash flows from investing activities</b>				
Proceeds from/(purchase of) debt securities	4,307,094	1,047,955	(8,117,000)	(1,986,053)
Purchases of property and equipment	(10,879,874)	(2,663,372)	(6,201,091)	(1,506,216)
Purchases of intangible assets	(1,914,540)	(468,676)	(2,169,571)	(526,979)
Proceeds from disposal of property and equipment	596,559	146,036	48,989	11,899
<b>Net cash used in investing activities</b>	<b>(7,890,761)</b>	<b>(1,938,057)</b>	<b>(16,438,673)</b>	<b>(4,007,349)</b>
<b>Cash flows from financing activities</b>				
Proceeds from borrowings	575,501,655	140,881,678	746,804,406	181,395,289
Repayments of borrowings	(630,943,106)	(154,453,637)	(402,772,677)	(97,831,595)
Proceeds from subordinated debts	40,850,000	10,000,000	-	-
Repayments of subordinated debts	(9,804,000)	(2,400,000)	(9,880,800)	(2,400,000)
Principal elements of lease payments	(10,091,392)	(2,470,353)	(8,272,050)	(2,009,242)
Proceeds from issuance of new share capital	-	-	91,687,500	22,270,464
<b>Net cash (used in)/generated from financing activities</b>	<b>(34,486,843)</b>	<b>(8,442,312)</b>	<b>417,566,379</b>	<b>101,424,916</b>
<b>Net increase in cash and cash equivalents</b>	<b>24,173,056</b>	<b>5,812,005</b>	<b>36,456,077</b>	<b>8,190,350</b>
Cash and cash equivalents at the beginning of the year	309,615,931	75,204,259	273,159,854	67,049,547
Currency translation differences	-	694,626	-	(35,638)
<b>Cash and cash equivalents at the end of the year</b>	<b>333,788,987</b>	<b>81,710,890</b>	<b>309,615,931</b>	<b>75,204,259</b>

*This is an extracted report and should be read in conjunction with the full audited financial statements, which are available on AMK's website and offices.*











FINANCE AT YOUR DOOR STEP