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# 01

# ABOUT AMK

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.

6	Vision & Mission	
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<sup>8</sup> AMK's History

# ♦ 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

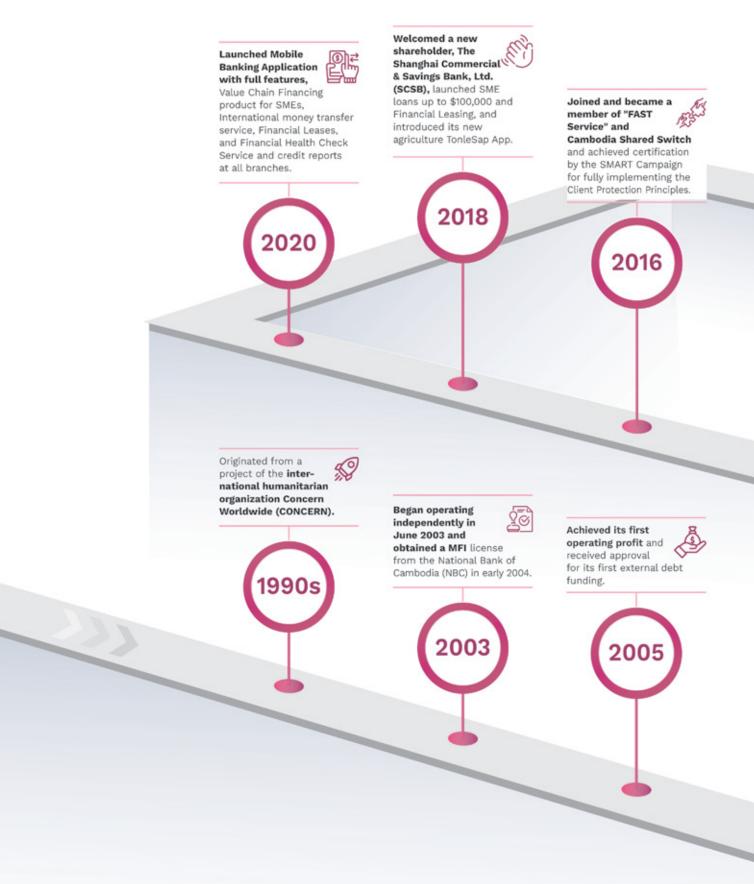


To provide a range of responsible financial services to our clients from varying economic segments, particularly low-income households and women, to help them achieve their financial and household aspirations.



3 1. ABOUT AMK AMK'S HISTORY

### **AMK'S HISTORY**



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

2022

Launched UnionPay **Physical Debit Cards and** celebrated its 20th-year anniversary.



green loans reduce over 250,000kg CO, emissions

Digitalized its lending process via tablets by all credit officers at all branches and was featured in a book "The Business of Doing Good", written by Anton Simanowitz & Katherine E. Knotts.



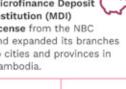
Partnered with an insurance company to introduce its first Micro Health and Accident insurance to its loan clients. This insurance comes with a premium of just 25,000 Riels per year.



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



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





Introduced an agent-based mobile banking and money transfer service.





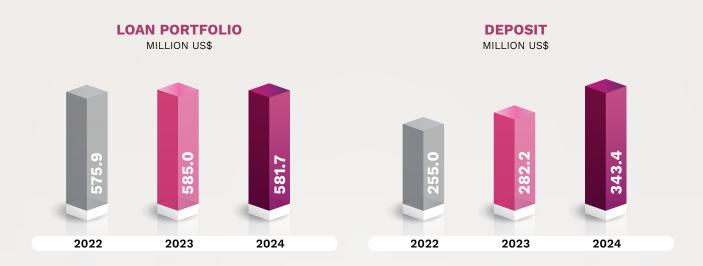
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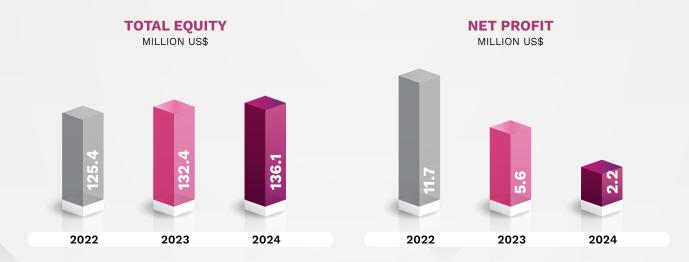
# BUSINESS OVERVIEW

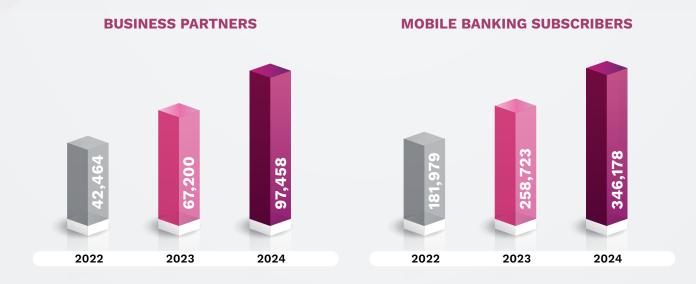
Key highlight of the business performance and operational outreach in 2024.

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## **BUSINESS PERFORMANCE**







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# **KEY HIGHLIGHTS**

I- Operational Highlights	2022	2023	2024
Number of Branches	150	147	143
Number of Villages	13,237	13,607	13,364
Number of Staff	3,531	3,737	3,650
Number of Total Client	865,576	801,234	756,408
Number of Active Loan Accounts	391,327	355,115	293,330
Loan Portfolio (USD)	575,917,312	585,029,816	581,658,322
Active Loan Accounts/Avg. Client Officer	265	227	197
Loan Outstanding/Avg. Client Officer (USD)	386,262	370,507	388,809
Number of Depositors with Outstanding Loan	292,738	251,834	203,632
Number of Active Deposit Accounts	1,428,746	1,269,345	1,172,609
Deposit Balance (USD)	254,978,842	282,193,312	343,383,979
Number of Agents	6,009	6,341	6,584
Number of Mobile Banking Subscribers	181,979	258,723	346,178
Number of Merchants	36,455	60,859	90,874
Number of ATM / CDM	82	87	99
Number of Active Micro Insurance	296,201	232,409	165,174

II- Financial Highlights	2022	2023	2024
Operational Self Sufficiency (OSS)	115.42%	106.47%	102.62%
Return on Assets (RoA)	1.82%	0.77%	0.32%
Return on Equity (RoE)	10.69%	4.32%	1.65%
Portfolio Yield	19.48%	18.67%	17.34%
Operating Cost Ratio	8.55%	8.09%	8.09%
Average Cost of Funds	5.76%	7.05%	7.23%
Leverage Ratio (Debt to Equity)	4.34	4.02	3.57
Non-Performing Loan	3.17%	4.69%	5.61%
Write off Ratio	0.85%	1.73%	2.59%

III- Social Highlights	2022	2023	2024
Loan Highlights			
Average Loan Size/GDP per Capita (loan disbursed)*	81.84%	87.74%	105.92%
Percentage of Loans ≤ USD 1,000	63.77%	54.44%	48.86%
Average Outstanding Loan Per Loan Account (USD)	1,472	1,647	1,983
Average Loan Disbursed (USD)	1,919	2,215	2,856

<sup>\*</sup>Comparative figures revised following the rebase of Cambodia's GDP in 2024

### **OPERATIONAL OUTREACH**



### AMK is one of Cambodia's Leading MFI

(Outreach data as of December 2024)





293,330 Loan Accounts



**1,172,609**Deposit Accounts



165,174 Insurance Policies







# CORPORATE GOVERNANCE

AMK continues to pursue its mission to provide inclusive finance to the most remote and rural areas, operating in more than 91.72% of the villages in Cambodia, with more than 96% of AMK's customers living in rural areas.

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# **MESSAGE FROM CHAIRMAN**

**SCSB COMMITMENT TO CAMBODIA** 



\$76 billion of assets



**\$8 billion** of equity



**\$440 million** of profit



ANNUAL REPORT 2024 MESSAGE FROM CHAIRMAN 19

2024 has been a year faced with global economic uncertainty, inflationary pressures, geopolitical tensions and fluctuations in the financial markets. Despite these challenges, the Cambodia economy cautiously navigated these economic headwinds, and continued to grow moderately. Furthermore, banks and financial institutions have continued to maintain stability in the face of slow credit growth, rising non-performing loans and increasing capital costs.

AMK has also been impacted by these challenges, with increasing non-performing loans, restrained credit growth and rising funding costs. This has resulted in a reduction in the net profit after tax to \$2.2m, and increase in the non-performing loan rate to 5.61% and a steady loan portfolio of \$581.7m.

Throughout these challenges, SCSB's commitment to Cambodia and AMK remains steadfast. With over 100 years of stability, a strong balance sheet with total assets of over USD 76 billion and equity of over USD 8 billion, and a sustainable operating profit with net profit after tax of over USD 440 million, SCSB's strength and stability provides a robust foundation to support AMK's transition through challenging periods and growth into future opportunities.

During these uncertain times, where economic growth may be uneven and the economic benefits may not be realized by all, AMK's social mission is more important than ever: 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. This has been a cornerstone of AMK in 2024, as we worked closely to provide restructuring to those clients in need, continued to offer health and accident and credit life insurance to our clients and their family, and expanded our pilot of agricultural insurance and climate mitigation and adaptation loans to support our clients towards a better future.

The leadership and oversight of the National Bank of Cambodia provided a strong foundation to support clients and the banking and financial institutions, including allowing the continuation of the capital conservation buffer at 1.25%, allowing the implementation of the reserve requirement ratio at 7% and allowing loan restructuring for clients facing financial difficulties. The prudent regulatory standards implemented by the NBC has developed a framework for sustainable development of the banking system that maintains stability but prioritizes consumer protection.

Once again, I thank all stakeholders of AMK – clients, staff, management, directors and shareholders – for their unwavering efforts to navigate the challenging headwinds and build towards a sustainable future. Our handling of the year gives me great comfort and confidence that our future remains bright and shining, as I hope it does to you.

### 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 USD76 Billion and paid in capital more than USD1.4 Billion, and has shareholder's equity more than USD8 Billion.

SCSB employs over 8,400 staff members and operates around 270 branches worldwide, including 74 in Taiwan alone, a further more than 40 branches through SCB in Hong Kong and operates overseas branches and representative office across East Asia, Europe and North America.

#### 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".

As of 2024, SCSB reported the following key financial indicators in its 2024 audited report:

	Year Ended 31 December 2024	
	NTD Billion (Audited)	USD Million (Comparative)
Net Interest Income	38.7	1,180
Total Non-Interest Income	12.7	387
Net Revenue	51.4	1,568
Profit Before Income Tax	16.9	516
Net Income	14.4	440
Deposits And Remittances	2,046.2	62,404
Discounts And Loans, Net	1,221.0	37,237
RoA (After Income Tax)	0.60%	
RoE (After Income Tax)	5.70%	



# BOARD OF DIRECTORS & ADVISORY COMMITTEE

The Shanghai Commercial & Savings Bank, Ltd. (SCSB) first invested in AMK in 2018, with AMK becoming a full subsidiary of SCSB since 2020.

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 C-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, climate adaptation and mitigation, and AMK's environment, social and governance responsibility.





# THE BOARD OF DIRECTORS HAS THE FOLLOWING STANDING COMMITTEES

RNCG
Remuneration,
Nominations
and Corporate
Governance
Committee

BALCO
Board Asset
and Liability
Committee

SEC
Social and
Environmental
Committee



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.

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.





KEA BORANN has been appointed as CEO of AMK since 2012. He has been with AMK for over 20 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.

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.

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.

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 (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.





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**





In 2024, the BRC met four times. 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 2024, the BALCO met four times. 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 assets and liability management 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.

The Committee has oversight of the interest rate, liquidity and foreign exchange risk tolerance and the funding strategy and contingency funding plans and assesses the impact of new product offering and the annual budget and strategic plans on the asset and liabilities management strategy. The committee further assesses AMK's capital position, and will review the performance of all investments on a regular basis.

ANNUAL REPORT 2024 BOARD COMMITTEE 29





In 2024, the AFC met four times. The Audit and Finance Committee has a critical oversight role, with responsibilities for ensuring that the information provided to the public and to NBC is clear, accurate and reliable, assessing the relevance of the accounting methods used to prepare the consolidated accounts and assessing the quality of internal control procedures, in particular whether the systems for measuring, monitoring and controlling risks are consistent, and recommending further action where appropriate.

Acting with authority delegated from the Board of Directors, The Audit and Finance Committee is further responsible for appointing and evaluating the performance of the external auditors and reviewing and approving the annual internal audit plan and ensure the internal audit function has access to information to fulfill its mandate. The committee also has operational focus to regularly review and discuss with the management significant financial reporting issues and judgement made in connection with the preparation of the Company's financial statements and receives and evaluate reports from management on the effectiveness of the Company's established internal control systems.



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In 2024, the RNCG met two times. 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 2024, the SEC met two times. The Social and Environmental Committee (SEC) of AMK serves as an advisory body to the Board, focusing on the oversight of AMK's social and environmental performance. Its primary role is to analyze the implications of the company's strategy on determining dimensions, identifying opportunities for improvement, and ensuring that operations align with AMK's mission and values. The SEC evaluates areas such as financial outreach, demand-driven products, client protection, environmental sustainability in both client and AMK operations, staff policies, and the broader impact on clients' lives. Drawing from internal data, international best practices, and external evaluations, the SEC advises on ESG policy implementation and reporting frameworks.

# **MESSAGE** FROM CEO

As we close the year 2024, I am pleased to reflect on AMK Microfinance Institution's growth, challenges, and the opportunities that lie ahead. This year has been another challenging year, but one of resilience, adaptability, and forward-thinking for AMK. Despite the challenging macroeconomic landscape, we continue to pursue our mission of improving access to financial and empowering individuals and businesses across Cambodia.



GROSS LOAN OUTSTANDING \$581.66 million



**DOMESTIC DEPOSIT GROWTH** 30%



**MOBILE APP** TRANSACTIONS GROWTH 60%



**BUSINESS PARTNER GROWTH** 49%



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In 2024, Cambodia has experienced both steady growth and significant challenges in the broader macroeconomic environment, with a GDP growth rate estimated at 5.8% and a stable inflation rate of 3.05%. Key sectors such as tourism, services and real estate and construction recovered slower than expected, however, there was strong sustainable growth in key sectors such as agriculture and manufacturing. The government's efforts to foster economic stability through strategic reforms have contributed to a moderate but steady recovery. The Royal Government of Cambodia's commitment to enhancing infrastructure, along with increasing digitalization across industries, and its MSME support policy has created new opportunities for businesses and the financial sector.

AMK's overall performance was moderate in 2024 due to the slow loan growth and moderate non-performing loans. Gross loan outstanding remained flat, ending at \$581.66 million after loan write-offs of 2.59%. Despite these challenges, 2024 has also presented several opportunities for AMK. AMK successfully executed its strategy to mobilize domestic deposits which have grown over 30% during the year, allowing AMK to reduce its proportion of wholesale borrowing. Bancassurance performed strongly, exceeding expectation in 2024. AMK's digital banking continue to grow in line with expectation. The AMK's mobile application subscribers and transactions grew by 29% and 60% respectively. AMK's merchant network grew by 49% in 2024 with transactions growing nearly twofold compared to 2023. Agent banking has gone through different challenges and opportunities as Cambodia rapidly adopts digital payments and acceptant but it continues to maintain its position in the market. The transaction grew by 2% in 2024 with a major slowdown in loan payment but offset with strong growth for interbank transaction, bill payment and phone top-ups.

AMK has renewed its commitment to sustainability and positive impact in 2024. AMK has continued to grow its green loan portfolio, providing access to low-cost renewable energy to clients, including through solar energy, bio-mass energy and providing working capital loans to the green energy supply chains. Further, AMK in 2024 launched its Water Impact Fund, its flagship positive impact investment products, enabling social-minded investors to partner with AMK in driving growth in improving the livelihoods and health of Cambodians. Internally, AMK enhanced its focus on reducing its carbon footprint, concluding an energy efficiency campaign across all our branches which saw branches reducing their electricity by up to 39%.

Looking ahead, AMK is committed to navigating the challenges of 2025 and beyond with a focus on growth, innovation, and customer-centricity. Our strategic

priorities for the upcoming year include:

- Financial Inclusion: AMK will continue to introduce new and enhance existing products and services to tailor to meet its customer's needs. In addition to lending, AMK has built strong foundations, offering client with protection product offerings, including savings, insurance and emergency funding. AMK's payment eco-system allow all of AMK's clients to manage their finance and transaction across AMK's multiple channels.
- Innovation and Digitalization: We will continue
  to invest right technology, enhancing our digital
  infrastructure, and offering innovative financial
  products that meet the evolving needs of our
  customers to create a seamless, tech-driven
  customer experience.
- 3. Sustainability: We will continue to promote responsible lending practices and sustainable development. This includes strengthening our environmental, social, and governance (ESG) initiatives, with a focus on supporting businesses that align with sustainable practices.
- Human Capital Development: AMK continues to invest in employees' training, well-being, and leadership development to ensure our staff competence meet current need and as well as prepare for the future grow.

Despite the challenges that we came across in 2024, AMK has proven its resilience, adaptability, and commitment to creating lasting impact. With a keen focus on innovation, financial inclusion, and sustainable growth, we are confident that the opportunities before us will allow us to continue serving the Cambodian people and contributing to the nation's economic development.

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 support to AMK and their commitment to building an inclusive financial sector.

Together, we will build a brighter future, more inclusive finance for all.

### **EXECUTIVE COMMITTEE**



#### **KEA BORANN**

Director and CEO

#### **SUON PISEY**

Chief Business Officer

### **SOK KOSAL**

Chief Information Officer

#### **LUCAS R MORO**

Chief Financial Officer

### **PEAING PISAK**

Chief People and Development Officer

### **UK KOSAL**

Chief Legal and Compliance Officer

### **CHEA ROATTANA**

Head of Agent and Digital Banking

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**KEA BORANN** 

Director and CEO

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.

**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 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.



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**UK KOSAL**Chief Legal and Compliance Officer

In 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.

**PEAING PISAK**Chief People and 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).





**CHEA ROATTANA**Head of Agent and Digital Banking

Prior to becoming the Head of Agent and Digital Banking 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**



ANG LEAPHENG Head of Core Banking System



**CHEANG VANNA** Head of Training



**DETH SOCHEATH** Head of Human Resource



LY SONIMOL Head of Business Development



**MUT CHAKRIYA** Head of Contact Center



**NHEAN VIRAK** Head of Deposit and Service



PREM CHANDRABOTH Head of Management Information System



SO LATIN Head of Operations



**SVAY SOCHEA** Head of Bancassurance



**TAING MUYLENG** Head of Risk Management

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**HEAK THAVUTH**Head of
Internal Audit



HENG MALAY
Head of
Marketing and
Communication



**KHUTH NARATH**Head of Finance



**LONG CHAMNAN**Head of Credit
Business



**PUM SOPHY**Head of Research
and Development



**REAM KERITHEA**Head of
Infrastructure



ROS KEO MONY CHENDA Head of Treasury



**SEAN VEASNA**Head of IT Project
Management



**THY BUNTHOEUN**Head of Supply
Chain Financing



**TUM CHANDET**Head of Credit
Control



**YUN DORA**Head of
Credit Underwriting

### MANAGEMENT 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.

#### **RISK MANAGEMENT** COMMITTEE (RMC)

RMC's 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)

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 clients' portfolio, sector, or product, etc.), analyzing delinquency trend and reasons, and taking remedial actions if needed.

#### INFORMATION TECHNOLOGY **COMMITTEE (ITC)**

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.

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#### 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)

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 COMMITTEE (CSR)

CSR supports and organizes the charitable activities of AMK, including raising and managing funds, and organizing key activities including blood donation drives, employee volunteer activities and other duties assigned by the EXCO.

# LEARNING AND DEVELOPMENT COMMITTEE (LDC)

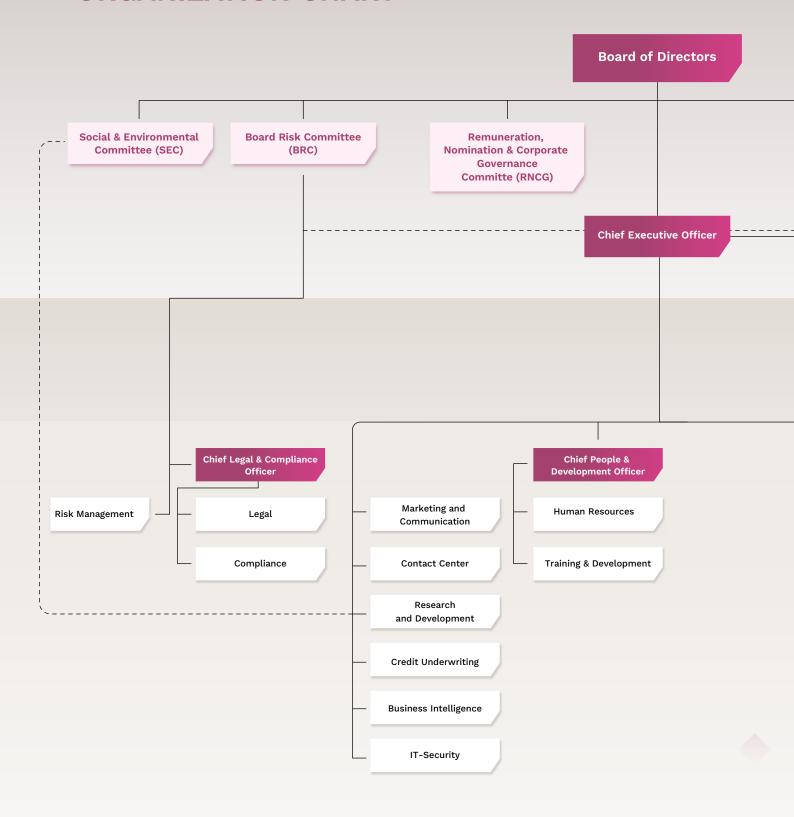
LDC supports AMK' efforts to build a culture of continuous learning, improving individual competencies, expanding organizational capabilities, a professional financial service provider with a high level of ethics. The LDC ensures training and development programs align to AMK strategies, principles and 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.

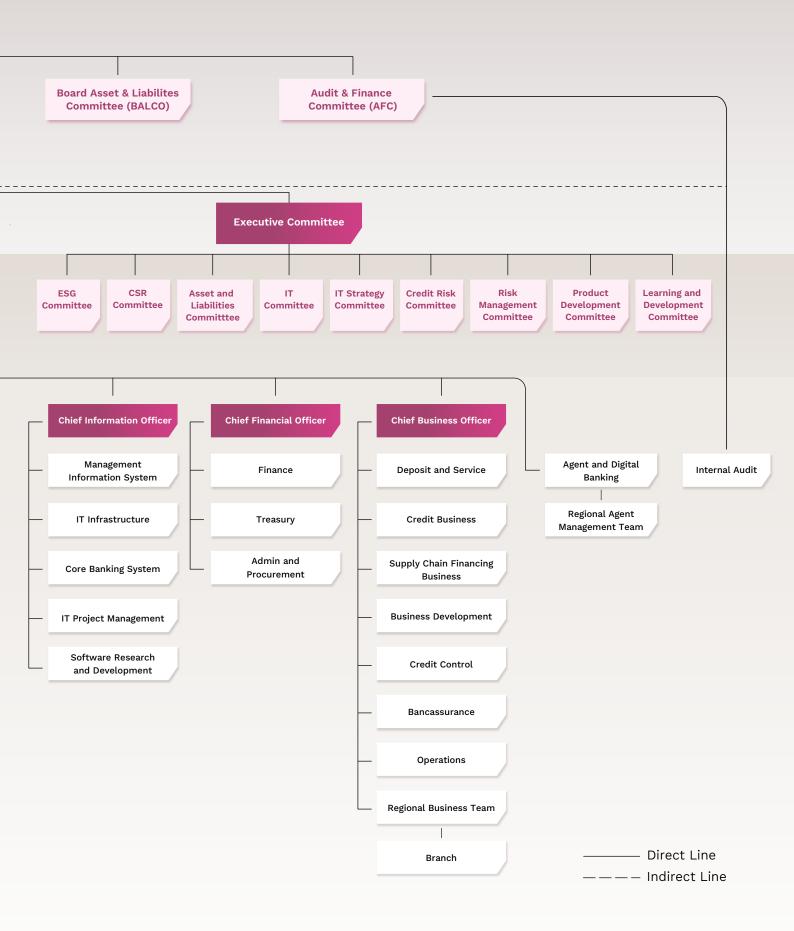
# ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG)

ESG is responsible for monitoring the implementation of ESG policy and procedures, review the client risk assessments and implementation plans and develop the framework for transparent and proactive ESG reporting and disclosure.



# **ORGANIZATION CHART**







04

# KEY ACHIEVEMENTS 2024

AMK launched campaigns and programs in 2024 that strengthen AMK's brand to target customers.

44	Client's Testimonial	
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**Mr. Deng Sam Oeun** AMK Agent Battambang Province



"Becoming an AMK agent, I receive many benefits, including additional allowances on money transfer services, working capital, and service fees on transaction amounts. We provide services such as depositing and withdrawing money and paying loans at all banks, transferring money and receiving money locally/overseas, paying water and electricity bills, and other services."

**Ms. Ronh Sok Eng**Loan & Smart Kid customer
Pursat Province



"AMK helped me a lot during a time when I had no income at all. My husband opened a Smart Kid account for our children and was a loan customer who also purchased insurance. Unfortunately, my husband passed away, but I received three types of compensation from AMK, including \$5,000 from my smart kid account, 600,000 riel insurance, and loan write-off up to \$4,750."

**Mr. Hong Huang** AMK Merchant Tbong Khmum Province



"I often present AMK KHQR to customers to scan pay! By doing this, I have contributed to donating funds to the Kantha Bopha Foundation of Cambodia through the "Scan AMK for Cambodian Children" program. In addition, AMK offers a high interest rate of up to 3.25%/year."

## **COMMUNITY ENGAGEMENT**

**SALE ACTIVATION AT ASEAN SAVING** DAY "SAVING ESSENTIALS FROM CHILDHOOD"







**ROAD SAFETY CAMPAIGN BY TOTAL ENERGY WHICH AMK PROVIDED 100** HELMETS.







**EXCHANGE OLD RIEL NOTES NATIONWIDE** CAMPAIGN **BY NBC** 



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## **PROGRAMS & CAMPAIGNS**

#### Win Cash Win Car Campaign

In 2024, AMK launched its biggest ever prize campaign, offering over 120 prizes including 100 prizs of 500,000 riels, 20 2024 Honda Dreams and the grand prize of the 2024 Ford Range XL. AMK's CEO, Mr Kea Borann, was honoured to present the keys to the 2024 Ford Range XL to our loyal client Mrs. Vong Chanthi from Preah Sihanoukville Branch.







#### **Agent Campaign**



#### 1. More Transactions, More Wins

AMK launched a special promotion to reward outstanding agents who performed the highest number of transactions through a lucky draw. The prizes included a 2024 Honda Dream, and over 7,000,000 riel in cash prizes.





#### 2. Top Agent of the month

To encourage top agents who do the most transactions and earn AMK launched another campaign for top 20 agents every month, each receiving 200,000 riels













# ស្កែន AMK ដើម្បីកុមារកម្ពុជា

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# 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.

54	AMK Social and Environmental Performance	
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AMK SOCIAL AND ENVIRONMENTAL PERFORMANCE

Throughout its history, AMK has been committed towards promoting financial inclusion to bring positive changes to our clients' lives through the provision of a range of responsible financial services.

To ensure 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 Committee (SEC) to monitor key indicators of AMK's Social and Environmental Performance.



#### GUIDING STANDARDS/POLICIES





AMK's business activities guided by the 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."



- Adopted and implement Universal Standards for Social Performance Management [SPM]. For this, AMK implements and monitors progress of FIVE key indicators: (1) Depth of Outreach, (2) Adequacy of Product, (3) Transparency and Client Protection, (4) Responsibility to Staff, and (5) Changes on client's lives.
- 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."



- Board oversee the direction of AMK's Social and Environmental Performance.
- Social and Environmental Committee (SEC) assists the board to monitor the implementation and reports the result of AMK's Social and Environmental Performance.
- 3 Environmental Social and Governance Committee (ESG) oversees day-to-day implementation and compliance of ESG policies, SOP, and reports the progress to SEC.
- 4 Research and Development Department 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 and Development department collects relevant data, analyzes, and reports relevant results to ESG Committee and SEC. The analysis includes data from 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, which comprise: (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 10 SDGs based on areas that these indicators have most contribution toward SDGs.

	KEY INDICATORS/ MENSIONS ARE:	CORRESPONDENCE WITH UN SDGS	SUSTAINABILITY STRATEGY
	DEPTH OF OUTREACH	1 mm 5 mm 9 mm 1 mm 1 mm 1 mm 1 mm 1 mm	Depth of Outreach dimension measures the inclusiveness of AMK's products/services. The indicators under this dimension help AMK track progress of its mission on the part of financial inclusion. AMK aims to serves all segments regardless of better off, low income, or poor. This is to make sure that everyone including poor and low income households have access to financial products/services they need to realize their household and financial aspirations. Key indicators are: Number of poor and low income households, Number of women clients, and Number of rural households covered by AMK each year. AMK uses Simple Poverty Scorecard (SPS), and Cambodia ID Poor data to measure its depth of outreach.
	ADEQUACY OF PRODUCT	1 ****** 5 ******	The goal of this dimension is to ensure that AMK stays relevant to market needs, and that AMK's products/services address targeted clients' need. Key indicators are: Retention rate, client exit, client satisfaction, brand and product awareness, and service quality.
SOCIAL	TRANSPARENCY AND CLIENTS PROTECTION	1 ***** 5 *****  10 ******  10 ******	The goal of this dimension is to make sure that every step of AMK's business operation always put client protection matter at the forefront. One of the main purposes is to help clients avoid over indebtedness. Key indicators are: client protection certificate (CPP), loan usage purpose, product features awareness, and grievance.
	RESPONSIBILITY TO STAFF	5 mm. 8 mm. mm. mm. mm. mm. mm. mm. mm. m	The goal of this dimension is to promote gender equity and equality at work, and take good care of staff. Key indicators are: gender distribution among staff, staff satisfaction, staff exit, staff retention, and staff complaints.
	CONTRIBUTION TO CHANGES IN PEOPLE'S LIVES	1 merr  5 merr  6 merr  10 merr	As part of its robust monitoring framework, AMK conducted Outcome/Change Study once every five years (baseline and endline). The Outcome/Change Study tracks various indicators that allow AMK to measure changes in clients' lives from time to time. Some key indicators are: Change in household well-being over period of time, aspiration achieved, income increased, increased in physical asset, human asset - child education, food security, increase in saving, and more.

#### THE KEY INDICATORS/ DIMENSIONS ARE:

#### CORRESPONDENCE WITH UN SDGS

#### SUSTAINABILITY STRATEGY



ENVIRONMENTAL SOCIAL AND GOVERNANCE POLICY [ESG]





The ESG policy has been implemented in AMK in 2024. The policy serves as a guiding document for AMK's effort toward sustainable finance. AMK's purpose for implementing ESG is to contribute as much as possible to the SDGs. Some key indicators are: Contribute to GHG reduction, increase climate change awareness among company staff, and mainstream climate change knowledge among clients.



GOVERNNANCE

ENVIRONMENTAL RISK MANAGEMENT









SUSTAINABILITY DISCLOSURE







AMK has created ESG Committee with very specific roles and responsibilities articulated in ESG Charter. The ESG Committee is established to assist EXCO, SEC, Risk Department, and Business Departments to develop ESG policy and procedures, monitor the implementation, and report on ESG successes and challenges to relevant stakeholders like EXCO, SEC etc.

As part of AMK's commitment to transparency and good governance, AMK discloses in our annual report our environmental footprint including emissions from direct energy and water consumption and indirect emissions from business travel, and discloses our tax paid as part of our contribution to the Cambodian economy.

#### **RESULT: DEPTH OF OUTREACH**

The figure below shows the comparison between national poverty line vs. AMK poverty coverage. Labelled "National Line" refers to government poverty rate reported in CSES 2019/20, while "AMK Poverty Outreach" label refers to percentage of poor, low income, or better off among AMK clients. For comparison, we compare AMK Poor clients against <100% of National Poverty Line (NPL), AMK Low Income clients against >100% NPL - <150% NPL, and AMK Better Off clients against > 150% NPL-200% NPL. As of 2024, around 40% of AMK clients are poor and low income compared to national line 48% (Figure 1). It is important to note that the calculation is AMK's method based on AMK's definition only. This indicates that AMK covered a considerable proportion of poor and low income people. When extrapolate among AMK loan clients as of December 2024, approximately 117,117 of AMK clients are coming from low income and poor households.



Figure 1: National line vs. AMK overall sample

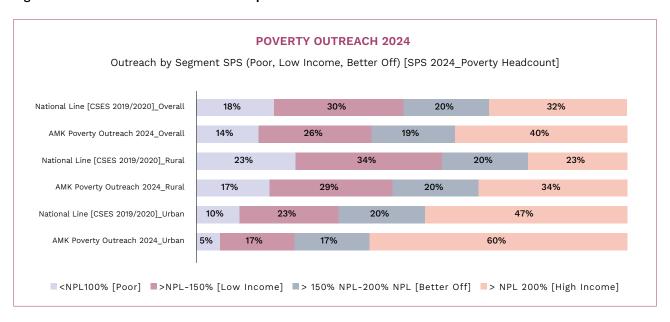
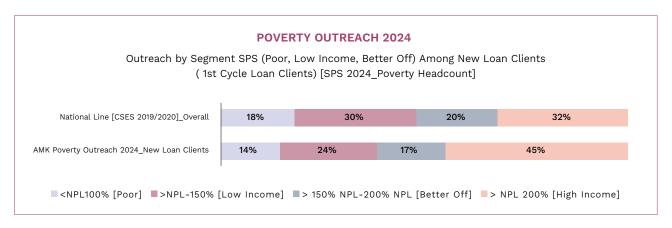


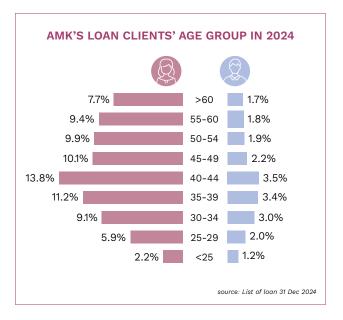
Figure 2: National line vs. AMK New Clients (Loan Cycle 1)



#### **AMK LOAN CLIENTS**

At the end of 2024, AMK has 293,330 active loan accounts (approximately 79% are women). The average loan size is around ~ \$2,875 USD per person for Individual Loan (ID), and around ~904 USD for group loan. Majority of AMK clients stay with AMK for longer period – on average they stay at least 3 cycles (approximately 82% of AMK clients stay with AMK between 2 to 10+ cycles). They are all from various age groups (18 to 60+ years old).







#### **RESULT: ADEQUACY OF PRODUCT**

To ensure a deep understanding of client needs and preferences, AMK conducts comprehensive annual surveys, including Customer Satisfaction, Client Exit, Branch Service Quality, and Brand Awareness studies. These initiatives are integral to assessing the adequacy of our product offerings and the quality of our services. By gathering valuable feedback, we gain insights into client perceptions and expectations, enabling us to refine our products and enhance service delivery. This ongoing commitment demonstrates our dedication to providing exceptional banking experiences and strengthening our relationships with clients.

AMK takes customer experience (CX) very seriously. Each business at AMK has their customer experience vision and strategy, and works 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 and internal data analysis is carried out continuously to keep business and management up to date with the market trends. This is used to share product development and refinement, marketing strategy, sale strategy, CSR & ESG, among others. Throughout this process, AMK continues to ensure that appropriate and viable products and services are available to all level of clients in Cambodia based on their needs.

# RESULT: TRANSPARENCY AND CLIENTS PROTECTION

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. First awarded in 2016, AMK continues to get recertified, most recently in July 2023. AMK practices a Code of Conduct to protect clients and serve them in a more transparent and accountable way. The Research and Development Department independently monitors the practice of all stakeholders to ensure that AMK treats clients fairly and equally. Moreover, since 2021 AMK has participated in the "Microfinance Index" program, 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. AMK has continued to be recognized for its achievement, receiving the Best Employer Branding Award for Cambodia, which its investment and care toward staff, consecutively from 2021 to 2024. 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 2024 indicates the overall satisfaction score at about 4 out of 5, which is slightly better compare to the previous years' satisfaction level. This illustrates that staff are well taken care of at AMK.

#### **RESULT: ENVIRONMENT**

Under AMK's ESG Committee, its Environmental, Social, and Governance (ESG) Policy and ESG Assessment Tool were first implemented in 2024. This groundbreaking ESG Policy establishes principles and requirements aimed at ensuring AMK's operations benefit stakeholders while addressing social and environmental sustainability challenges. The ESG Assessment Tool categorizes risks into three levels: Low, Moderate, and High. Low-risk projects or loans proceed without additional review or mitigation plans. Moderate-risk assessments require submission to the credit underwriting team for approval, accompanied by a mitigation plan developed collaboratively by clients and the business department, with monthly reporting to the ESG Committee. High-risk projects or loans are reviewed and approved by the ESG Committee, with detailed risk mitigation plans prepared in partnership with the business department and included in the project or loan documentation. This comprehensive framework reinforces AMK's commitment to sustainability and climate change adaptation.



## **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 work on reducing the potentially direct negative impact on the environment.

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**

Since its launch in 2023, AMK's green loans have provided low-cost access to finance to clients to enable them to reduce their carbon footprint and reduce their energy costs. The green energy portfolio has been focused on the following key activities:

#### **Solar Energy Generation**



Solar energy generation includes providing long term and working-capital financing to clients to purchase, install and operate solar energy power. These include loans to solar energy farms and businesses which provide solar energy to communities and to supply irrigated water from solar energy, loans to businesses which operate highly energy intensive operations seeking to reduce their emissions and operating costs through solar energy, such as ice factories, water treatment plants and other SME business, and financing solar panels for individual household usage.

Solar energy generation loans are an important element of AMK's commitment to supporting clients to reduce their carbon footprint, improve their business sustainability and develop the green energy sector in Cambodia.

# Solar Energy Installation and Trading



Solar energy installation and trading includes working capital financing to small and medium enterprises in the green energy supply chain. These include businesses which sell and/or install solar panels and design and support solar energy projects. AMK's Solar energy installation and trading loans support our clients to develop the green energy sector in Cambodia and develop and advance new solar projects.

# Bio-Energy installation and Trading



Bio-Energy installation and trading includes working capital financing to small and medium enterprises which specialize in designing, producing and installing bio-energy plants. These plants are developed on site of animal husbandry farms, which converts the waste from the animals into energy, reducing the energy costs of farmers and business operators. Bio-energy installation and trading loans are part of AMK's commitment to support the sustainability of the agricultural sector in Cambodia.

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The below table presents the carbon emissions reduced from AMK's green-finance products since 2023.

CO <sub>2</sub> Emissions Reduced from AMK Loans						
Green Energy Segment 2023 2024 Weighted Date Quality Score						
Solar Energy Generation	667,501	474,774	2.46			
Solar Energy Installation & Trading	322,663	82,420	2.07			
Bio-Energy Installation & Trading	568,743	519,706	3.01			
Electric Vehicles		1,694	2.30			

Emission reduction calculations for Solar Energy Generation represents the attribution of actual energy generated from the solar energy installed where available, or based on standard calculation methodology, in accordance with the Partnership for Carbon Accounting Financials (PCAF) methodology for financed avoided emissions.

Emission reductions from solar energy and bio-energy installation trading represent the attribution of actual energy generated from the project installed by the SME, or the expected annual energy generated from the project or equipment installed or sold.

#### Energy use and greenhouse gas emissions

Energy consumption of AMK's all locations is primarily in 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 makes payments directly to staff for their travel based on their travel distance.

In 2024, AMK's internal energy efficiency campaign and contest, developed to drive behavior change all branches and offices, resulted in over 39% of branches reducing their electricity consumption by up to 29%, through simple behavior changes, increased awareness and education and employee engagement.

Energy Consumption Activity	By Unit			
	Unit	2022	2023	2024
Direct Energy Consumption				
Gasoline	L	130,706	118,409	81,513
Diesel - Motor Vehicle	L	84,670	69,215	63,850
Diesel - Generator	L	6,553	8,141	10,362
Purchased Energy Consumption				
Purchase of electricity - Non-renewable	kWh	2,322,803	2,596,660	2,660,825
Purchase of water	m3	44,596	44,387	48,281
Indirect Energy Consumption				
Upstream Electricity	kWh	57,477	66,758	85,931
Business Travel - Motorbike	KM	17,715,482	18,247,992	20,138,791
Business Travel - Car	KM	87,781	114,193	52,842
Business Travel - Airline	KM	11,348	192,371	172,396
Commute To Work		16,701,254	17,468,417	17,446,620

#### **Greenhouse Gas Emissions**

Since 2023, AMK conducted an internal greenhouse gas inventory, progressing towards the framework of the Greenhouse Gas Protocol Corporate Value Chain. The classifications are categorized as follows:

Classification	Definition
Scope 1	Direct <b>greenhouse gas</b> emissions that occur from sources that are owned or controlled by an entity.
Scope 2	<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.
Scope 3	Indirect greenhouse gas emissions (not included in Scope 2) that occur in the value chain 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 Category 3 – Fuel and Energy Related Activities not included in Scope 1 or Scope 2, Category 6 – Business Travel, Category 7 – Employee Commuting categories in 2024.

Gross Emissions	in CO <sub>2</sub> e		
Emissions	2022	2023	2024
Scope 1 Emissions			
Gasoline (CO <sub>2</sub> e)	317,744	287,851	186,414
Diesel - Motor Vehicle (CO <sub>2</sub> e)	232,487	190,051	164,884
Diesel - Generator (CO <sub>2</sub> e)	17,784	22,094	26,429
Scope 1 Total Emissions	568,015	499,996	377,726
Scope 2 Emissions			
Purchase of electricity - Non-renewable	1,365,357	1,526,332	1,616,703
Purchase of water	18,516	18,430	20,047
Scope 2 Total Emissions	1,383,873	1,544,762	1,636,750
Scope 3 Emissions			
Upstream Electricity	33,785	39,241	52,211
Business Travel - Motorbike	1,471,448	1,515,678	1,672,728
Business Travel - Car	31,873	41,463	10,102
Business Travel - Airline	934	12,909	19,449
Commute To Work	1,482,072	1,542,325	1,534,194
Scope 3 Total Emissions	3,020,112	3,151,619	3,288,685
Total Emissions	4,972,000	5,196,377	5,303,161

Note: Emissions presented are CO<sub>2</sub>e, inclusive of CO<sub>2</sub>e, CH<sub>4</sub> and N<sub>2</sub>O. Comparatives of the Scope 1 emissions have been revised to reflect the new information related to the calculation of CH<sub>4</sub> and N<sub>2</sub>O emissions. Comparatives of the Scope 2 purchase of water emissions have revisd to reflect the most accurate estimates.

#### 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	ce		
	2022	2023	2024
Water Withdrawal (Million Liter)	45	44	48
Water Withdrawal Per Person (Ten Thousand Liters)	1.25	1.22	1.33

#### **AMK's Green Loan Case Study**

#### **EMPOWERING ICE FACTORY WITH SOLAR ENERGY**

Mr. Seng Savoeun, a passionate entrepreneur with over two decades of experience in ice manufacturing, operates his business in Neak Leung, a bustling commercial town in Peam Ror District, Prey Veng province. For over 20 years, he has been a vital supplier of ice to local businesses, restaurants, and households in his community. As Cambodia has grown and developed, he has adopted and grown his business, first transitioning away from diesel power as the electricity grid rolled out and in 2024, with the support of AMK, transitioning to a hybrid solar energy system. Through AMK's support of green energy initiatives, this strategic shift has resulted in significant cost savings and demonstrates the viability of sustainable energy solutions for small and medium enterprises (SMEs) in rural Cambodia.

Recognizing the potential benefits of solar energy and with the technical and financial guidance from AMK, Mr. Savoeun was able to secure a loan to invest in a comprehensive solar power system. The loan enabled him to procure and install the system, effectively transitioning his ice manufacturing operation to generate clean energy to support his business in mid-2024. AMK provided an unsecured loan of over \$100,000 for the solar system installation.

Over the last six months, with the support of AMK, he has fully integrated the solar energy system into his business operations. This transition has resulted in a remarkable reduction in electricity expenses, estimated at \$5,000 to \$6,000 per month. These substantial savings have not only enhanced his business's profitability and strengthened his competitiveness in the market, but also reduced greenhouse gas emissions by over  $300,000 \, \text{kg CO}_2$  per year.

The success of Mr. Savoeun highlight the potential of sustainable energy as a viable solution for SMEs, offering a practical and cost-effective way for businesses in rural areas to reduce operating costs and improve sustainability. It also highlights the crucial role financial institutions play in enabling SMEs to invest in sustainable technologies, thereby driving economic growth through accessible financing. Mr. Savoeun's transition to solar energy exemplifies the transformative power of sustainable business practices for SMEs. His success demonstrates the potential for businesses to achieve both economic and environmental benefits through strategic investments. AMK is proud to have supported him in realizing his vision and contributing to a more sustainable future for Cambodia.





# **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 2024, we participated in various social activities by contributing cash and providing assistance in different sectors.



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#### **SCHOOL SUPPORT**

AMK, together with over 40 staff and volunteers, had the honour to support the upgrade of the Andong Tameng Primary School in Kampong Thom Province including providing study materials, sports equipment, tree planning, uniforms to more than 70 students, along with a dental-care presentation by RoomChang Dental Clinic, and all students enjoyed a yummy lunch by Benly Cooking.



#### **BLOOD DONATION CAMPAIGN**

AMK's staff and partners joined together to donate blood to support Cambodians in need with over 110 attendees donating over 35,000ml, including 80 AMK staff.





#### **FUNDRAISING CAMPAIGN**



AMK launched fundraising campaign to Kuntha Bopha Hospital "Donate and Bring Smiles to Cambodian Children" that AMK will double your donation amount. We received generous donations from the public, which AMK was honoured to double and present 50 million riel to Kantha Bopha Foundation, during which time our staff took the opportunity to voluntarily donate blood to support Kantha Bopha's operations.

In addition, AMK also donated \$1,000 to support free surgery for cleft lip and palate and 2,000,000 Riels to Orphans, Disabled and Poor Women Training Organization, as well as supporting other charitable activities such as the 7th Khmer Literature Festival and other important events.

#### **SPONSORSHIP**

#### FINANCIAL STREET SEASON 2



AMK sponsored Financial Street Season 2 Program aiming to bring financial education to Cambodians. It has a special mission to empower and provide basic knowledge to help individuals, families, business owners, small and medium enterprises, and university students make informed decisions.

#### DISSEMINATION OF THE RESULTS OF STRENGTHENING SAFE FINANCE IN COMMUNITY PROJECT



AMK participate in the workshop on Dissemination of the Results of Strengthening Safe Finance in Community Project. We are always actively involved and create various content related to financial knowledge with the aim of promoting and strengthening financial security for Cambodian citizens and the entire community.





# **TAX PAID REPORT**

Units in \$US	2022	2023	2024
Income Tax *	3,959,288	1,323,269	1,062,292
Salary Tax	1,077,755	1,162,504	1,142,070
Withholding Tax (Interest)	2,083,426	3,750,035	3,371,689
Withholding Tax (Other)	782,719	717,705	726,237
Other Indirect Taxes	189,669	329,894	282,014
Total Taxes Paid	8,092,856	7,283,407	6,584,301

 $<sup>\</sup>boldsymbol{\ast}$  Includes both payments of annual income tax and monthly prepayment of tax on income.

# 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**

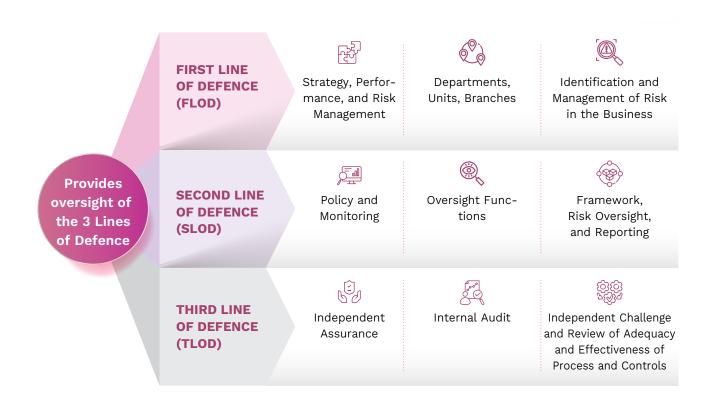
In 2024, AMK continued to improve the risk awareness and fostering a risk culture. This was achieved through the implementation of the Enterprise Risk Management Framework (ERMF) across all business and enablement functions. The Framework is continuously evaluated to ensure its alignment with the evolving 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>&</sup>lt;sup>1</sup> BRC: Board Risk Committee, BALCO: Board Asset and Liabilities Committee, AFC: Audit and Finance Committee



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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.



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.

#### LOOKING FORWARD TO 2025, HERE ARE AMK'S KEY FOCUS IN RISK MANAGEMENT.

#### **CREDIT RISK**

The credit market in Cambodia is undergoing maturation and intensifying competition. Concerns such as over-indebtedness, non-performing loans, and excessive credit growth persist in the Cambodian financial sector. The country's economic outlook is slowly recovering, especially in the tourism, 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 focuses in supply chain financing as an integral part of supporting local SMEs in accessing finance. Therefore, the strengthening of credit product policy and procedure, 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**

With the broadening and increasing distribution channels, this is becoming an essential 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 engaged in discussions and taken actions regarding the top emerging risks and incidents of 2024, 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 and foreign exchange 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, foreign exchange rate risk, and other financial risk are robustly managed.





# 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 2024.

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84	Statement of Cash Flows

### 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 2024.

#### **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 2024 is set out in the statement of profit or loss and other comprehensive income on page 9.

#### **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 (2023: nil).

#### **SHARE CAPITAL**

The paid up capital of the Company as at 31 December 2024 was KHR 273,662 million or approximately US\$ 67,990,671 (2023: KHR 273,662 million or approximately US\$ 66,992,032).

#### **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:

- 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
- 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
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 2024, 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 2024, 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: 1 April 2025



#### 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 2024, 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 2024;
- 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 does not include the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed 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:

ldentify 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 1 April 2025

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	31 December 2024		31 December 2023	
	KHR Million	US\$	KHR Million	US
ASSETS				
Cash on hand	98,842	24,557,008	114,283	27,976,365
Balances with the NBC	301,591	74,929,437	282,292	69,104,579
Balances with other banks	145,468	36,141,094	246,882	60,436,304
Loans to customers	2,221,571	551,943,174	2,264,043	554,233,233
Debt securities measured at amortised cost	4,099	1,018,472	4,146	1,015,00
Property and equipment	15,405	3,827,361	19,427	4,755,60
Intangible assets	6,179	1,535,172	6,297	1,541,610
Right-of-use assets	28,566	7,097,138	32,012	7,836,494
Current tax assets	3,816	947,977	-	
Deferred tax assets	17,297	4,297,358	19,510	4,776,076
Investments under the equity method, net	1,648	409,464	-	
Other assets	26,839	6,668,170	23,862	5,841,490
TOTAL ASSETS	2,871,321	713,371,825	3,012,754	737,516,75
LIABILITIES AND EQUITY				
LIABILITIES				
Deposits from customers	1,311,814	325,916,596	1,118,843	273,890,666
Deposits from other financial institutions	70,306	17,467,383	33,916	8,302,640
Current tax liabilities	_	-	454	111,118
Other liabilities	21,535	5,349,983	25,762	6,306,604
Lease liabilities	27,584	6,853,188	31,261	7,652,566
Borrowings	776,022	192,800,535	1,173,606	287,296,518
Subordinated debts	75,162	18,673,854	57,441	14,061,41
Employee benefit obligations	41,142	10,221,599	30,514	7,469,780
TOTAL LIABILITIES	2,323,565	577,283,138	2,471,797	605,091,316
EQUITY				
Share capital	273,662	67,990,671	273,662	66,992,032
Share premium	22,425	5,571,517	22,425	5,489,683
Reserves	174,462	43,613,174	173,674	42,507,105
Retained earnings	77,207	18,913,325	71,196	17,436,62
TOTAL EQUITY	547,756	136,088,687	540,957	132,425,44
	071,100	100,000,001	0 10,001	102,720,77
TOTAL LIABILITIES AND EQUITY	2,871,321	713,371,825	3,012,754	737,516,75

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 2024

	Year ended 31 December 2024		Year e 31 Decem	
	KHR Million	US\$	KHR Million	US\$
Interest income	410,110	100,739,250	444,364	108,117,769
Interest expense	(171,511)	(42,129,829)	(172,811)	(42,046,481)
Net interest income	238,599	58,609,421	271,553	66,071,288
Fee and commission expense	(18,267)	(4,487,004)	(19,908)	(4,843,759)
Other income	34,635	8,507,799	42,409	10,318,536
Total operating income	254,967	62,630,216	294,054	71,546,065
Grant income	219	53,784	40	9,671
Personnel expenses	(126,611)	(31,100,669)	(127,373)	(30,990,958)
Depreciation and amortisation	(17,430)	(4,281,626)	(18,574)	(4,519,184)
Other operating expenses	(47,246)	(11,605,468)	(46,583)	(11,334,037)
Net impairment loss on financial instruments	(52,406)	(12,873,118)	(71,995)	(17,516,970)
Share of net profit of investments using the equity method	42	10,409	_	_
Other gains	301	73,889	202	49,081
other gams	301	73,003	202	+5,001
Profit before income tax	11,836	2,907,417	29,771	7,243,668
Income tax expense	(2,874)	(705,846)	(6,916)	(1,682,863)
Net profit for the year	8,962	2,201,571	22,855	5,560,805
Other comprehensive income:				
Items that may be reclassified to profit or loss				
Hedging gains/(losses), net of tax	196	47,996	(460)	(111,963)
Items that will not be reclassified to profit or loss				
Remeasurement of employee benefits, net of tax	(2,359)	(579,451)	2,134	519,304
Currency translation differences		1,993,130		1,019,150
	(2,163)	1,461,675	1,674	1,426,491
Total comprehensive income for the year	6,799	3,663,246	24,529	6,987,296
Profit attributable to owners of the Company	8,962	2,201,571	22,855	5,560,805
Total comprehensive income attributable to				
owners of the Company	6,799	3,663,246	24,529	6,987,296

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 2024

	Share capital		Share prem	nium		
	KHR Million	US\$	KHR Million	US\$		
Balance as at 1 January 2023	273,662	66,471,326	22,425	5,447,014		
Net profit for the year	-	_	-	-		
Remeasurement of employee benefits, net of tax	_	_	_	_		
Hedging loss, net of tax	_	_	_	_		
Currency translation differences	_	_	_	_		
Total comprehensive income for the year	-	-	-	-		
Transactions with owners in their capacity as owners:						
Transfer to reserves	-	-	-	-		
Currency translation differences		520,706	-	42,669		
	-	520,706	-	42,669		
Balance as at 31 December 2023	273,662	66,992,032	22,425	5,489,683		
Balance as at 1 January 2024	273,662	66,992,032	22,425	5,489,683		
Net profit for the year	-	-	-	-		
Remeasurement of employee benefits, net						
of tax	-	-	-	-		
Hedging loss, net of tax Currency translation differences	-	_	_	_		
Total comprehensive income for the year	-	-	-	<u> </u>		
Transactions with owners in their capacity as owners: Transfer to reserves	_	_	_	<u>-</u>		
Currency translation differences	-	998,639	-	81,834		
-	-	998,639	-	81,834		
Balance as at 31 December 2024	273,662	67,990,671	22,425	5,571,517		

	Attributable to owners of the Company							
	Total		Retained Ear	Reserves				
US\$	KHR Million	US\$	KHR Million	US\$	KHR Million			
125,438,145	516,428	36,355,620	148,341	17,164,185	72,000			
5,560,805	22,855	5,560,805	22,855	-	-			
519,304	2,134	-	_	519,304	2,134			
(111,963)	(460)	_	-	(111,963)	(460)			
455,775	-	-	-	455,775	· ,			
6,423,921	24,529	5,560,805	22,855	863,116	1,674			
_	_	(24,479,804)	(100,000)	24,479,804	100,000			
563,375	_	(21,110,001)	-	-	-			
563,375	_	(24,479,804)	(100,000)	24,479,804	100,000			
132,425,441	540,957	17,436,621	71,196	42,507,105	173,674			
132,425,441	540,957	17,436,621	71,196	42,507,105	173,674			
2,201,571	8,962	2,201,571	8,962	-	-			
(579,451)	(2,359)	_	-	(579,451)	(2,359)			
47,996	196	-	-	47,996	196			
912,657	_	-	-	912,657	-			
2,582,773	6,799	2,201,571	8,962	381,202	(2,163)			
-	-	(724,867)	(2,951)	724,867	2,951			
1,080,473		-		-	<del>-</del>			
1,080,473	-	(724,867)	(2,951)	724,867	2,951			
136,088,687	547,756	18,913,325	77,207	43,613,174	174,462			

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 CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

	Year ended 31 December 2024		Year ended 31 December 2023	
	KHR Million	US\$	KHR Million	US\$
Cash flows from operating activities				
Profit before income tax	11,836	2,907,417	29,771	7,243,668
Adjustments for:	.,,	_,,,		,,_ , ,,, , ,
Depreciation and amortisation	17,430	4,281,626	18,574	4,519,184
Net impairment loss on financial instruments	52,406	12,873,118	71,995	17,516,970
Increase in employee benefit obligations	5,463	1,341,812	4,516	1,098,713
Loss on disposals of property and equipment	33	8,166	17	4,151
Loss on disposals of intangible assets	8	1,962	8	2,003
Gain on disposals of property and equipment	(342)	(84,017)	(227)	(55,234)
Proportionate share of profit of associate	(42)	(10,409)	-	-
Unrealised foreign exchange differences	385	94,858	(2,749)	(668,887)
Interest income	(410,110)	(100,739,250)	(444,364)	(108,117,769)
Interest expense	171,511	42,129,829	172,811	42,046,481
	(151,422)	(37,194,888)	(149,648)	(36,410,720)
Changes in working capital:				
Balances with the NBC	3	737	(6)	(1,385)
Balances pledged as security with other				
banks	54,338	13,347,458	(19,465)	(4,736,010)
Statutory deposits	11,858	2,912,798	(52,785)	(12,843,052)
Loans to customers	(20,004)	(4,913,735)	(57,623)	(14,020,310)
Other assets	(1,125)	(276,321)	103	25,121
Deposits from customers	194,888	47,872,293	101,078	24,593,264
Deposits from banks and other financial				
institutions	37,609	9,238,310	(3,439)	(836,623)
Other liabilities	(3,898)	(957,460)	(3,569)	(868,346)
Cash generated from/(used in) operations	122,247	30,029,192	(185,354)	(45,098,061)
Interest received	396,491	97,394,043	429,692	104,547,837
Interest paid	(159,854)	(39,266,510)	(161,464)	(39,285,545)
Income tax paid	(4,504)	(1,106,306)	(16,324)	(3,971,857)
Net cash generated from operating activities	354,380	87,050,419	66,550	16,192,374

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	Year ended 31 December 2024		Year ended 31 December 2023	
	KHR Million	US\$	KHR Million	US\$
Cash flows from investing activities				
Proceeds from debt securities	-	-	4,307	1,047,955
Purchases of property and equipment	(2,810)	(698,218)	(10,879)	(2,663,372)
Purchases of intangible assets	(1,468)	(364,699)	(1,915)	(468,676)
Proceeds from disposals of property and				
equipment	642	159,475	596	146,036
Net cash used in investing activities	(3,636)	(903,442)	(7,891)	(1,938,057)
Cash flows from financing activities				
Proceeds from borrowings	752,274	184,788,442	575,502	140,881,678
Repayments of borrowings	(1,141,820)	(280,476,538)	(630,943)	(154,453,637)
Proceeds from subordinated debts	24,426	6,000,000	40,850	10,000,000
Repayments of subordinated debts	(5,699)	(1,400,000)	(9,804)	(2,400,000)
Principal elements of lease payments	(9,584)	(2,354,207)	(10,091)	(2,470,353)
Net cash used in financing activities	(380,403)	(93,442,303)	(34,486)	(8,442,312)
Net (decrease)/increase in cash				
and cash equivalents	(29,659)	(7,295,326)	24,173	5,812,005
Cash and cash equivalents at the beginning of				
the year	333,789	81,710,890	309,616	75,204,259
Currency translation differences		1,144,999	-	694,626
Cash and cash equivalents at				
the end of the year	304,130	75,560,563	333,789	81,710,890

#### Non-cash transactions:

- Non-investing activities of acquisition in right-of-use assets are disclosed in the notes to the audited financial statements.
- Borrowings of KHR 50,000 million were rolled over in 2024 (2023: 204,575 million Riels).

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.







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