



Affordable Financing Schemes to Support Growth of SMEs in Cambodia

Annual Report
2024



Nurturing SMEs to Create Jobs and Enhance Cambodia's Economic Growth

#ONESME

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#ONESME

Unity and team spirit are the core values of SME Bank. Harmony represents the collective bond among staff at all levels in fulfilling their duties with responsibilities and professionalism, in order to achieve common goals and drive the development of the SME sector in Cambodia.



Chairman's Message

A full-length portrait of H.E. Dr. PHAN Phalla, a middle-aged man with short dark hair, wearing a dark blue pinstriped suit, a white shirt, and a blue patterned tie. He is standing with his hands at his sides, looking directly at the camera. The background is a blurred indoor setting with light coming from the left.

SME Bank remains firmly committed to support SMEs in alignment with its vision and mission through **the ongoing improvement and easing credit criteria**, development of new products, and enhancement of loan processing efficiency.

H.E. Dr. PHAN Phalla

Secretary of State of Ministry
of Economy and Finance
(Chairman of Board
of Directors)

On behalf of the Board of Directors of the Small and Medium Enterprise Bank of Cambodia Plc. ("SME Bank"), I am honored to present the Annual Report summarizing the Bank's performance in 2024. These results reflect our firm commitment and efforts, as a policy bank to support the development of small and medium enterprises (SMEs) which is recognized as the backbone of the economy.

Indeed, in 2024, the global economy continued to make gradual progress toward recovery. However, it remained by numerous challenges and facing uncertainty. These challenges included: 1- Negative impact from the prolonged Russia-Ukraine war, the Israel-Hamas conflict, the rise of protectionist policies, and geopolitical and geo-economic fragmentation. These issues not only disrupted supply chains and led to rising commodity prices, but also created and intensified barriers to international trade, investment flows, technology transfer, human mobility, and global payment systems. 2- The frequent occurrence of severe natural disasters around the world due to climate change, which negatively impacted the progress of socio-economic development and food security.

As a result, the global economy in 2024 is projected to grow by only 3.2%, reflecting a slow and gradual recovery in private consumption, investment flows, and international trade.

In this context, Cambodia's economy is forecasted to continue growing robustly, with a rate of 6.0% in 2024. This is due to: 1- The gradual recovery of the global economy, especially the major trading partners; and 2- The outcomes of in-depth structural reforms over recent years, along with the implementation of growth-promoting policies and measures, particularly those highlighted and reinforced under the framework of the "Pentagonal Strategy – Phase I." These efforts have begun to yield tangible results, contributing to the development of a resilient business and trade ecosystem, which forms a strong foundation for driving national economic growth.

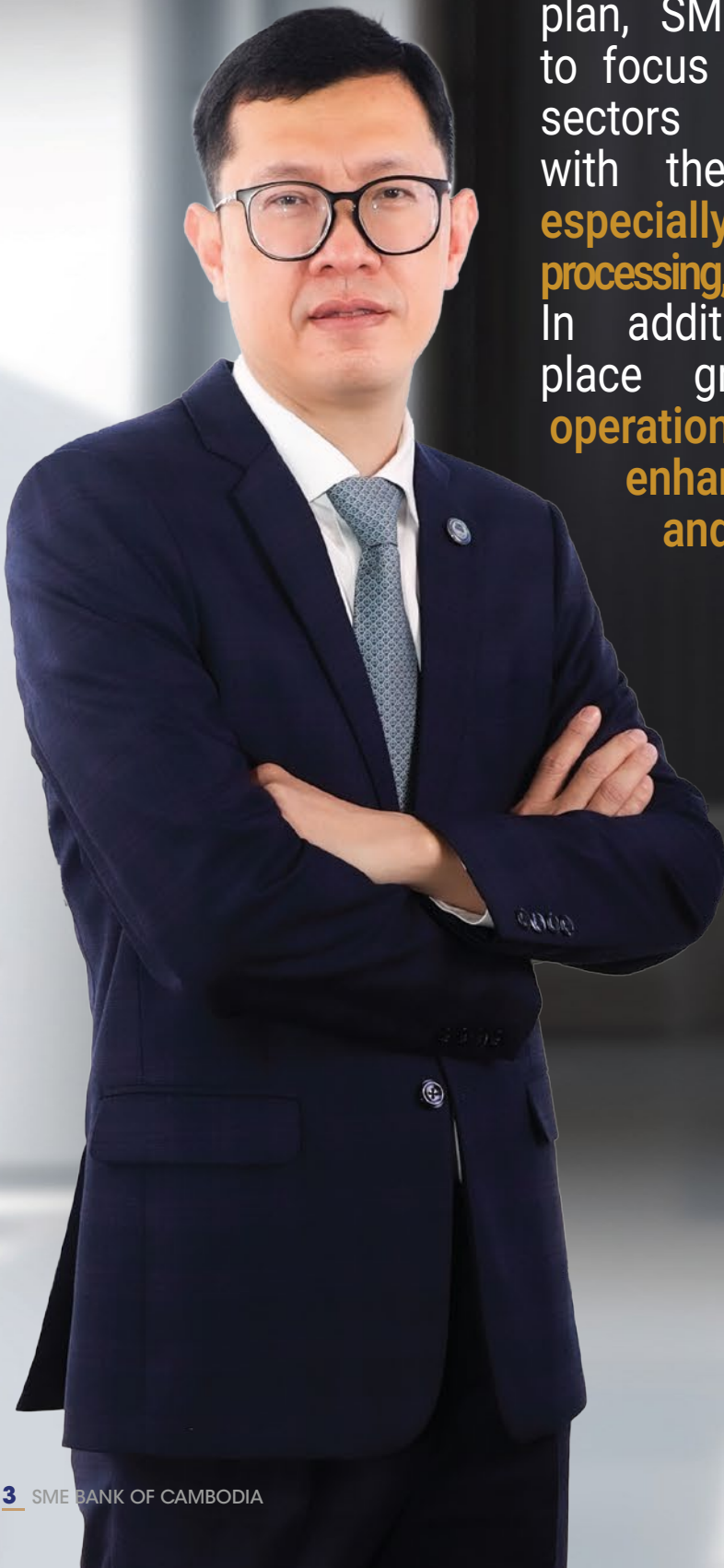
Despite the continued uncertainty in the global economy, Cambodia's financial sector remains stable and resilient. This is reflected by a strong macro-prudential indicators, including the liquidity coverage ratio and capital adequacy ratio for both commercial banks and microfinance institutions. Although non-performing loans (NPLs) in both commercial banks and MFIs have increased, they remained at manageable levels.

In this context, SME Bank has continued to actively fulfill its mission by promoting the development of SMEs in Cambodia through the providing of concessional loans. As of the end of 2024, SME Bank has extended direct loans to 457 enterprises, totaling USD 122.4 million, increasing by a 42% compared to 2023. Among these, loans provided to priority sectors such as manufacturing, assembly, processing, and agro-industry under highly concessional terms amounted to approximately USD 61 million, accounting for 50% of total direct lending. Meanwhile, loans provided to women entrepreneurs, which is also a priority, reached approximately USD 52.2 million, representing 43% of total direct lending.

SME Bank remains firmly committed to support SMEs in alignment with its vision and mission through the ongoing improvement and easing credit criteria, development of new products, and enhancement of loan processing efficiency.

Finally, I would like to sincerely thank all our customers for their continued trust and choosing SME Bank as a loyal partner in starting and expanding their businesses. In return on behalf of the Board of Directors, management, and staff of SME Bank committed pursuing our efforts to meet the needs of SMEs especially in priority sectors which contributing to socio-economic development.

CEO's Remark



Under the 2025–2027 business plan, SME Bank will continue to focus on lending to priority sectors which are aligned with the government policy, **especially manufacturing, assembly, processing, and agro-industry.** In addition, the Bank will place greater emphasis on **operational sustainability by enhancing cost-efficiency and credit quality.**

Mr. CHEA Sophak
Chief Executive Officer

Small and Medium Enterprise Bank of Cambodia Plc. (“SME Bank”) has continued its strong commitment to effectively respond to the policies and strategies introduced by the Royal Government of Cambodia to support the development of SMEs in Cambodia, particularly addressing challenges in access to finance with favorable terms and low interest rates. SME Bank has continued improving lending terms and condition and reducing interest rates on the existing products, especially in priority sectors such as manufacturing and processing. Additionally, SME Bank has introduced internal efficiency measures to reduce loan approval turnaround time and better respond to client demand.

| The 2024 Strategy

Under the 2024–2026 business plan, SME Bank placed priority on direct lending to SMEs in manufacturing, assembly, processing, and agro-industry, while women entrepreneurs remained a key focus.

Key strategies set for 2024 include:

- Market Expansion through: (1). Broadening the SME definition (introducing “SME Plus”) (2). Raising maximum loan sizes to USD 1 million for general SMEs and USD 3 million for SMEs in the cashew sector. (3). Establishing new provincial branches.
- New Product Development in response to market needs, such as: Launching a special direct lending scheme “Tourism Financing Scheme for Siem Reap Province (TFSS)” with a total loan facility of USD 50 million.
- Improving efficiency of channel strategy through existing mechanism and new approach.

| Operational Performance in 2024

- In 2024, SME Bank achieved the following key results:
- Total assets increased to USD 380 million, 18% growth.

- Total outstanding of loan portfolio reached approximately USD 221 million, representing a 0.4% growth, of which direct lending rose to USD 122.4 million, increased by 42.1%.
- Non-performing loans (NPLs) increased to USD 17.6 million, equivalent to 14.3% of direct lending, up by 2.9 percentage points.
- Total income was approximately USD 13.9 million, while total expenses were around USD 12.6 million, resulting in a net profit of around USD 1.4 million.

| Business Plan 2025

Under the 2025–2027 business plan, SME Bank will continue to focus on lending to priority sectors, which are aligned with the government policy, especially manufacturing, assembly, processing, and agro-industry. In addition, the Bank will place greater emphasis on operational sustainability by enhancing cost-efficiency and credit quality.

Strategic actions for 2025 include:

- Enhancing Human Resource management
- Improving the loan approval process
- Reviewing and upgrading existing products, and introducing new ones
- Enhancing productivity, especially sales
- Improving cost-efficiency
- Strengthening NPL management
- Piloting the Credit Guarantee Scheme
- Promoting digital technology adoption

To conclude, the positive outcome in 2024, the growth in direct lending, reflected a strongy operation towards achieving its long-term vision. This also demonstrated the confidence of SMEs to the Bank’s services, that become a motivation for management and staff to continue driving insustainable SME development in Cambodia.



About SME Bank

Small and Medium Enterprises (SMEs) play a crucial role in contributing to socio-economic development in an inclusive manner. They are considered the backbone of the national economy, meeting local demand for goods and services while also contributing to improved livelihoods through increased income and employment, enhancing Gross Domestic Product (GDP), and boosting exports. However, the development and management of the SME sector face several challenges, including: 1- Informality (operating outside the formal system) 2- Lack of capital for business expansion 3- Limited technical knowledge and skills.

In response to these challenges, the Royal Government of Cambodia established the “SME Bank” to help address the problem of limited access to financing.

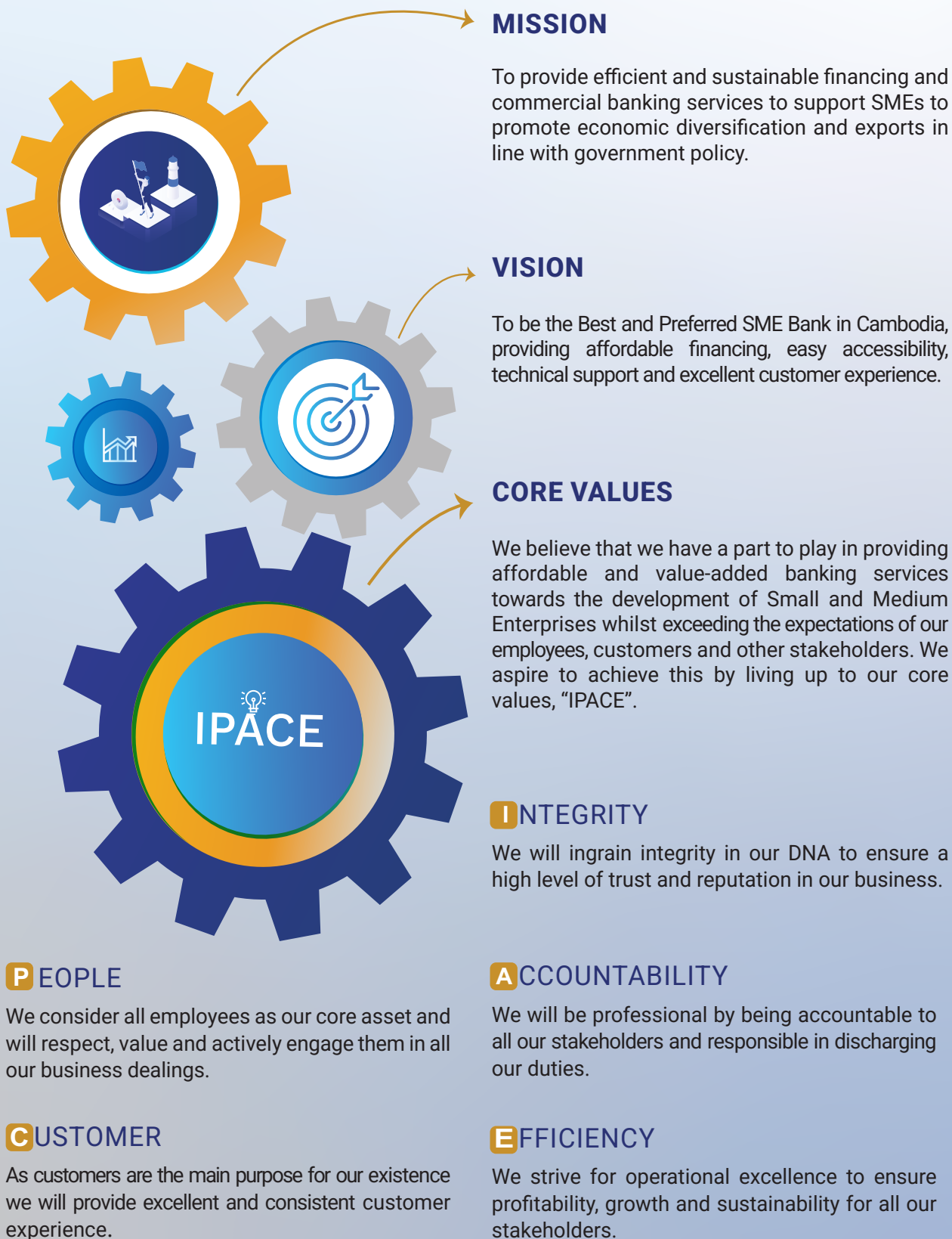
The Bank was officially licensed as a commercial bank by the National Bank of Cambodia on February 27, 2020, and operates under the technical and financial oversight of the Ministry of Economy and Finance. The Bank's primary objective and strategic direction is to provide concessional financing (soft loans) to support the development of SMEs, with the aim of promoting economic diversification and exports, in line with the policies set forth by the Royal Government.

In nearly four years of operation, SME Bank has been recognized as a leading policy bank in providing concessional financial services to support SMEs, with a strong focus on priority sectors, including:

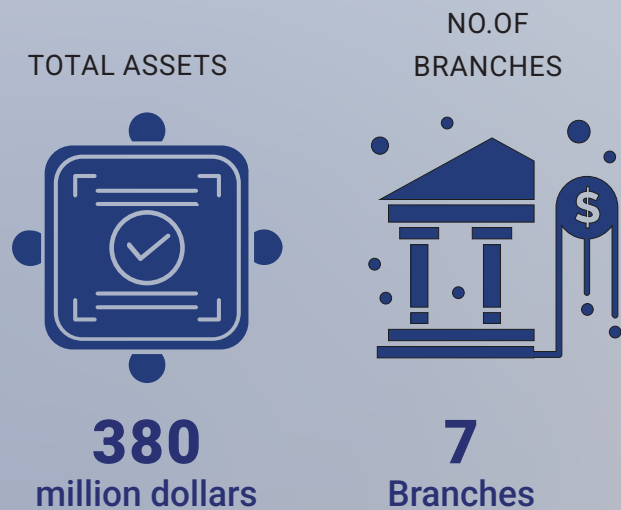
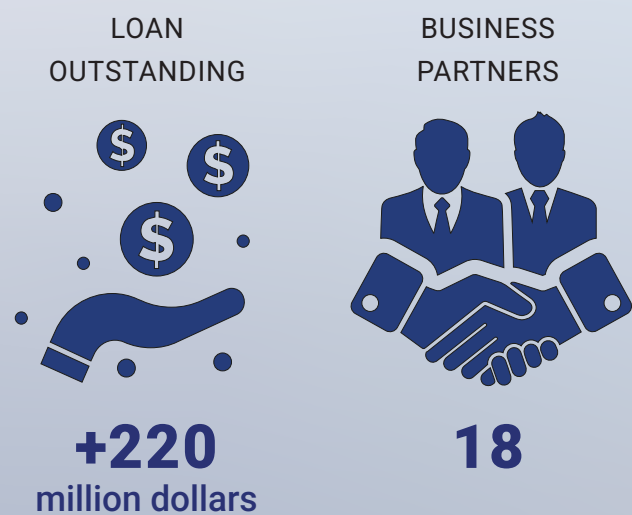
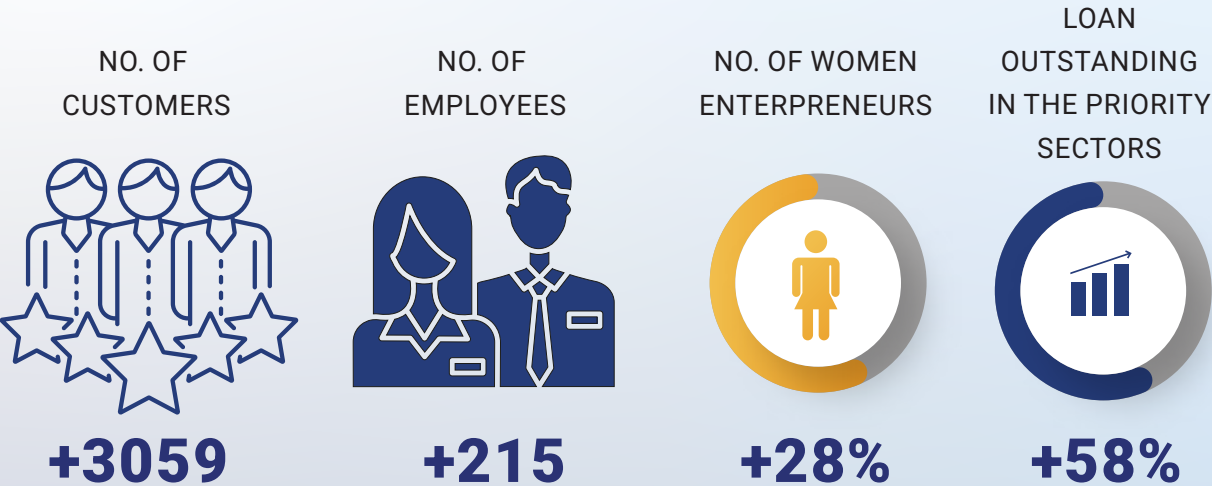
- Food manufacturing and processing encompass the conversion of agricultural commodities or plant-based materials into consumable food for humans. This is achieved through primary or whole processing, employing both machinery and manual labor.
- Manufacturing enterprises that produce consumables, parts, or components to supply other manufacturers, process waste, and produce goods for the tourism industry.
- Research and development in the field of information technology, including the provision of innovative system management services. This refers to the creation and supply of IT services linked to business and e-commerce.
- Enterprises located in the SMEs Cluster Zone.
- Enterprises that produce medical products and medicines, referring to businesses that manufacture equipment, facilities, and pharmaceuticals for the healthcare sector.
- Enterprises that provide services to support other businesses in priority sectors, as defined by the government. This refers to businesses that distribute and provide services to other priority sectors, including those with potential growth and those impacted by COVID-19.

SME Bank has made a remarkable contribution to the royal government by addressing the lack of access to finance for SMEs. To achieve this goal, the Bank has continuously implemented co-financing schemes with Participating Financial Institutions (PFIs) and direct lending schemes which target specific segments of enterprises. It primarily focuses on the development of products and services. The Bank is also committed to expanding its distribution networks and developing its human resources.

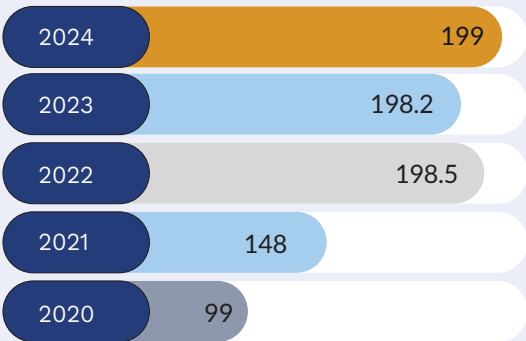
Mission, Vision and Core Values



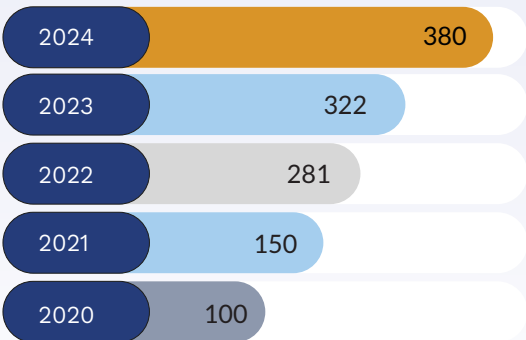
Achievement Report in 2024



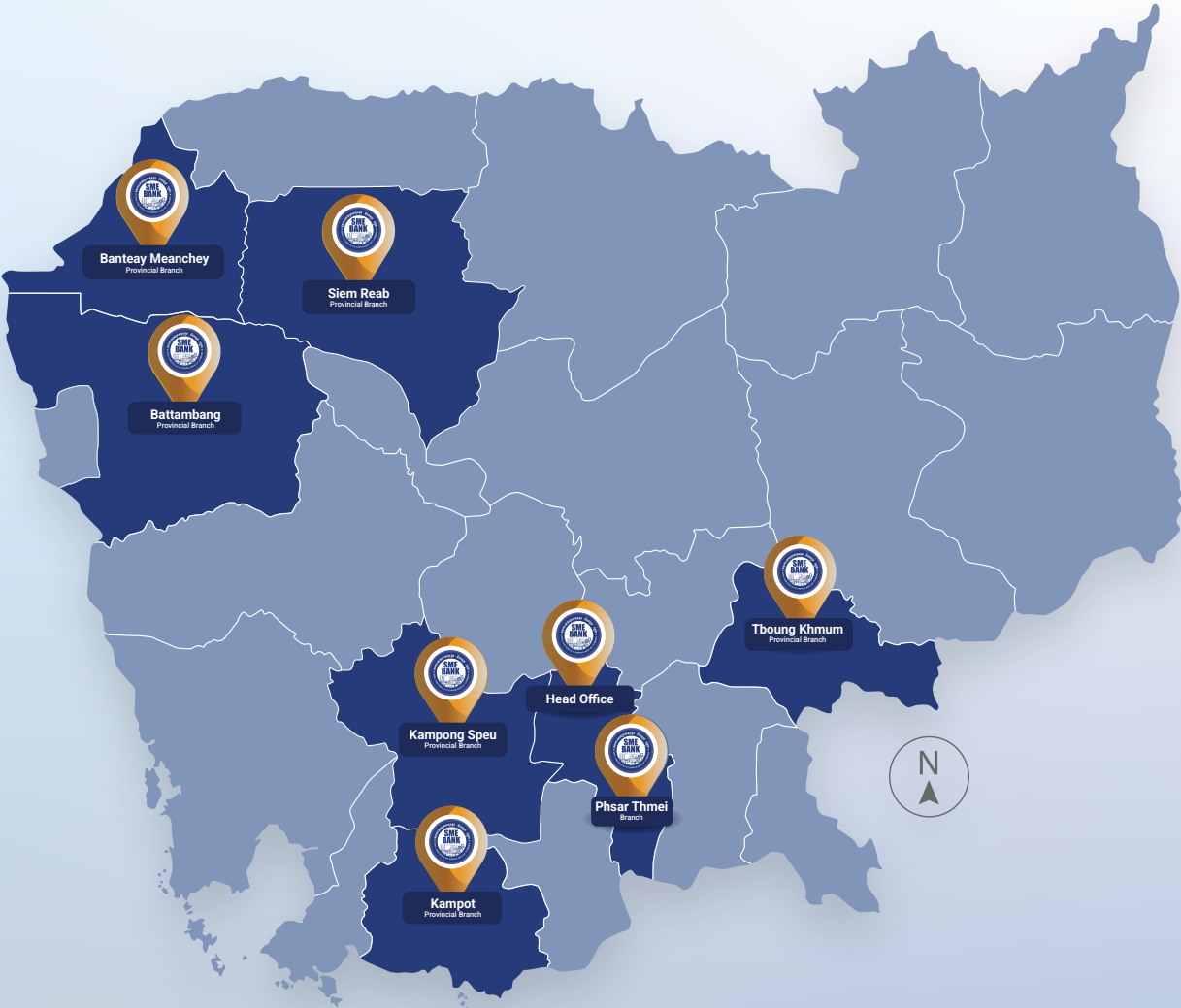
BANK EQUITY (IN USD MILLION)



TOTAL ASSETS (IN USD MILLION)



Branch Networks



Head Office
MEF Business Development Center, # S, OCIC Street,
Phum Kien Khleang, Sangkat Chraoy Chongvar,
Khan Chraoy Chongvar,Phnom Penh

Tboung Khmum Provincial Branch
National Road 7, Phum Suong Kaeut,
Sangkat Suong, Krong Suong,
Tboung Khmum Province

Phsar Thmei Branch
No 30, St. Pasteur corner Prey Nokor Street,
Sangkat PhsarThmei Ti Muoy, Khan Daun Penh,
Phnom Penh

Banteay Meanchey Provincial Branch
Phum Bei, Sangkat Preah Ponlea,
Krong Serei Saophoan, Banteay Meanchey
Province

Battambang Provincial Branch
No. 161 & 162, National Road No. 5, Group 6,
Phum Rumchek 5, Sangkat Rottanak,
Krong Battambang, Battambang Province

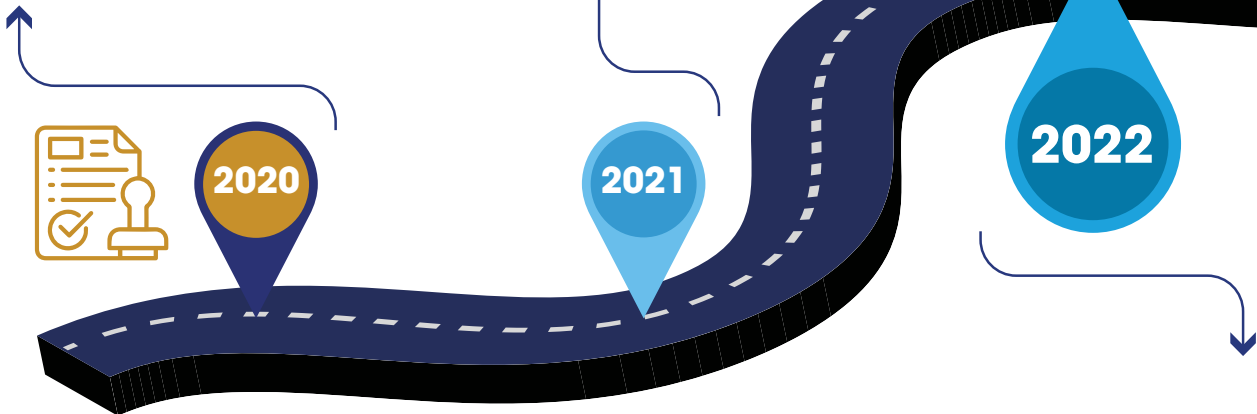
Kampot Provincial Branch
#413, Phum Svay Thom, Sangkat Krang
Ampil, Krong Kampot, Kampot Province

Kampong Speu Provincial Branch
#465, National Road No.4, Phum Peanicheakkam,
Sangkat Rokar Thum, Krong Chbar Mon,
Kampong Speu Province

Siem Reap Provincial Branch
Street N° 60m, Phum Treang, Sangkat Sla
Kram, Krong Siem Reap, Siem Reap Province

- Obtained a Commercial Bank License on February 27, 2020
- Launched the first phase of the SME Co-Financing Scheme in collaboration with 33 participating financial institutions, with a total amount of USD 100 million, and completed it in October 2020
- Introduced the direct financing scheme which includes:
 - Cambodia SME Scheme (CSS)
 - Cambodia Digital and Automation Scheme (CDAS)
 - Cambodia Women Entrepreneurs Scheme (CWES)
 - Cambodia Recovery Support Scheme (CRSS)
- Achieved a total assets value of over **USD 100 million.**

- Received the “SME Bank of the Year – Cambodia” award from the Asian Banking & Finance
- Signed a Memorandum of Understanding to promote SMEs with the FASMEC, KE, and BanhJi FinTech Co., Ltd. etc.
- Launched the second phase of the SME Co-Financing Scheme, with a total amount of USD 240 in collaboration with 28 participating financial institutions and financed 981 enterprises to achieve total assets of over USD 150 million.
- The “SME Bank of the Year – Cambodia” award was given by Asian Banking & Finance.
- A Memorandum of Understanding was signed to promote SMEs in collaboration with FASMEC, KE, and BanhJi FinTech Co., Ltd., etc.
- The second phase of the SME Co-Financing Scheme was launched, with a total fund of USD 240 million. This was done in collaboration with 28 participating financial institutions, and it financed 981 enterprises, leading to a total asset accumulation of over **USD 150 million.**



- Launched a Co-Financing Scheme to support and boost the recovery of the tourism sector with a total amount of USD 150 million in collaboration with 24 participating financial institutions
- Joined the Fast Payment service of the National Bank of Cambodia to enable customers to transfer money via the bank quickly
- Introduced the Cambodia Micro Enterprise Scheme (CMES), an Unsecured Loan

- Launched two more new branches, including Phsar Thmei and Battambang Provincial branches
- Formed business partnerships with five additional SME associations to promote direct lending to target customers, including CEO Master Club of Life Education Co., Ltd., Young Entrepreneurs Association of Cambodia (YEAC), AgriBee (Cambodia) Plc., Cambodian Water Supply Association, and Cambodia Food Manufacture Association
- Achieved total asset of over **USD 281 million**

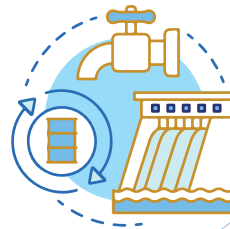


Corporate Milestones



- Launched 4 additional branches including: Tboung Khmum, Kampot, Banteay Meanchey, and Kampong Speu provinces.
- Established partnerships with the Cashew Nut Association of Cambodia and the Cambodia Cashew Federation, to promote direct lending and target prior segments.
- Signed a Memorandum of Understanding with TrueMoney Cambodia Plc, ACLEDA Bank Plc, and ABA Bank for loan repayment by SME Bank of Cambodia's customers.
- Signed a Memorandum of Understanding with the Policy Research Institute (PRI) of the Ministry of Finance, Japan, and the Micro Business and Individual Unit of the Japan Finance Corporation (JFC-Micro) to provide staff training on credit analysis for SMEs.
- Implemented a Tourism Financing Scheme for Siem Reap with a budget of USD 50 million.
- Achieved a total asset value of over **USD 322 million.**

- Launched a new provincial branch in Siem Reap province.
- Established 4 new partners: Cambodia Chamber of Commerce, Water.org, General Department of Small & Medium Enterprises and Handicraft, and Credit Guarantee Corporation Cambodia.
- Launched a new financing scheme for Private Water Operators (PWOs) with favorable terms, "Cambodia Water Operator Scheme (CWOS)".
- Achieved a total asset value of over **USD 380 million.**



Strategic Partnerships

SME Bank has been part- nering with various institutions to effectively stimulate the growth and development of SMEs within Cambodia.



Khmer Enterprise



Cambodia Water Supply Association



Young Entrepreneurs Association of Cambodia



Cambodia Cashew Nut Federation



Cashew Nut Association of Cambodia



Cambodia Food Manufacturer Association



Federation of Associations for SMEs of Cambodia



Cambodia Women Entrepreneurs Association



Banhji FinTech Co., Ltd



CEO Master Club



Ministry of Industry, Science, Technology & Innovation



Cambodia Chamber of Commerce



Policy Research Institute



Japan Finance Corporation



Water.org



Credit Guarantee Corporation of Cambodia PLC

Cash Management Partners

SME Bank aims to promote financing to small and medium enterprises in various provinces and cities of Cambodia. SME Bank's branch network is currently limited and IT infrastructure is also limited and under development its capacity. To improve the customer experience, SME Bank has engaged some financial institutions to facilitate the bill payment through their available networks.

SME Bank has signed a Memorandum Of Understanding with ABA Bank, Acelida Bank and TrueMoney Cambodia to officially launch bill payment through its ABA Mobile, Acelida Mobile and TrueMoney Wallet. This collaboration will provide a secured and convenient financial services experience.



**Good News
from SME Bank**

Now, all SME Bank customers can quickly and easily repay their loan payment to the bank via our partners

ABA MOBILE

Acelida Mobile

TrueMoney Wallet

BUSINESS HIGHLIGHT



As of the end of 2024, the total loan outstanding amounted to approximately USD 221 million. This figure comprises approximately USD 123 million from direct lending schemes, USD 92 million from co-financing schemes, and USD 6 million from other financing schemes.

In the year 2024, the Small and Medium Enterprise Bank of Cambodia disbursed a total of USD 45 million in direct lending to 143 enterprises. Of this amount, 71 percent was allocated to priority sectors, while 50 percent was directed specifically toward the processing and manufacturing sectors.

The Bank has implemented a variety of direct lending schemes, including:

- Cambodia SME Scheme (CSS)
- Cambodia Women Entrepreneurs Scheme (CWES)
- Cambodia Digital & Automation Scheme (CDAS)
- Cambodia Micro Entrepreneurs Scheme (CMES)
- Tourism Financing Scheme for Siem Reap Province (TFSS)
- Cambodia Water Operator Scheme (CWOS)

The non-performing loan (NPL) ratio within the Bank's direct lending portfolio stood at 14 percent as of the end of 2024.



Loan
Outstanding

221

USD Millions



The
Co-Financing
Scheme

123

USD Millions



The Direct
Lending Scheme

92

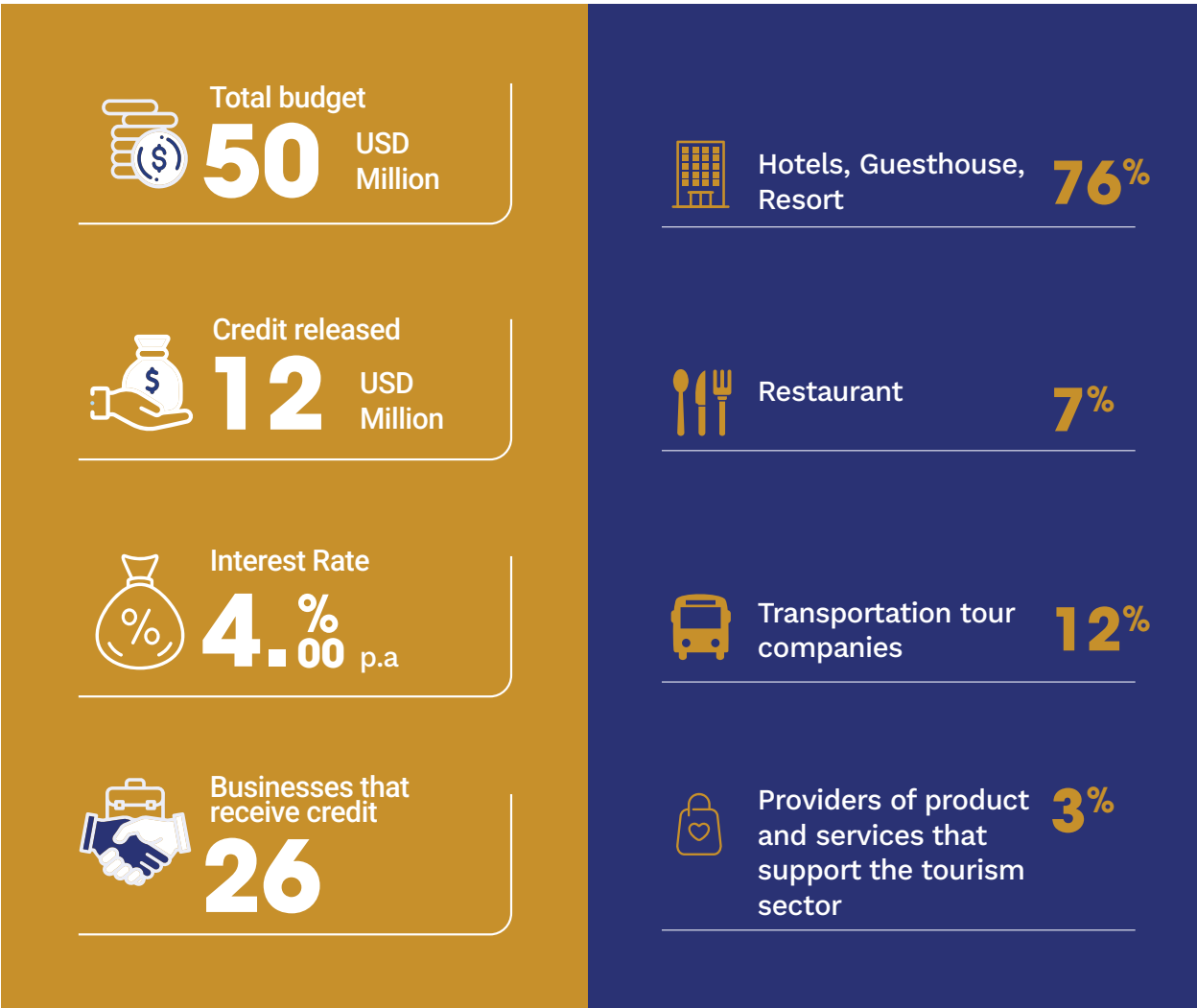
USD Millions

Tourism Financing Scheme for Siem Reap Province (TFSS)

To revitalize the tourism sector in Siem Reap province, the Royal Government has implemented a comprehensive reform measure as outlined in Point 6.2.4 of the Notification on the Outcomes of the 19th Government-Private Sector Forum. As part of this initiative, the Small and Medium Enterprise Bank of Cambodia has been assigned to develop a direct lending program with an initial fund of USD 50 million, specifically aimed at supporting tourism operators in Siem Reap.

This program offers concessional interest rates and other favorable terms, enabling tourism businesses to access financing for restarting operations, improving and modernizing tourism services, as well as expanding and diversifying their service offerings to attract both domestic and international tourists.

As of the end of December 2024, the TFSS has allocated direct lending loans to 26 tourism operators in Siem Reap province, with a total disbursed amount of approximately USD 12 million.



Direct Lending Schemes

Cambodia Women Entrepreneurs Scheme (CWES)

Interest Rate

4.75%



* terms and conditions apply ☎ 096 811 1118 🌐 www.smebankcambodia.com.kh

Cambodia SME Scheme (CSS)

Interest Rate

5.00%



* terms and conditions apply ☎ 096 811 1118 🌐 www.smebankcambodia.com.kh

Cambodia Digital & Automation Scheme (CDAS)

Interest Rate

5.35%



* terms and conditions apply ☎ 096 811 1118 🌐 www.smebankcambodia.com.kh

Cambodia Micro Entrepreneurs Scheme (CMES)

Interest Rate

7.00%



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Tourism Financing Scheme for Siem Reap Province (TFSS)

Interest Rate

4.00%



* terms and conditions apply ☎ 096 811 1118 🌐 www.smebankcambodia.com.kh

Cambodia Water Operator Scheme (CWOS)

Interest Rate

4.75%



* terms and conditions apply ☎ 096 811 1118 🌐 www.smebankcambodia.com.kh

EVENTS



#OneSME ANNUAL GENERAL MEETING



Annual General Meeting 2024



SME Bank convened its 2025 Annual General Meeting under the theme **“ONE SME”** On the morning of Saturday, February 8, 2025, at Novotel in Sihanoukville. The meeting was presided over by H.E. Dr. PHAN Phalla, Secretary of State of the Ministry of Economy and Finance and Chairman of the Board of Directors of SME Bank of Cambodia, alongside members of the Board of Directors, management, and approximately 210 staff from all levels of the Bank.

The purpose of the meeting was to review the Bank’s progress in 2024 and present the business plan for 2025, as well as to celebrate the achievements the Bank has accomplished over the past five years.



Employee Recognition Program 2024



On the Saturday evening of February 8, 2025, SME Bank held its Annual Gala Dinner under the theme of **"5 Years Milestone"** at the New Beach hotel in Sihanoukville.

SME Bank places a strong emphasis on and reward the best employees of the year for their dedicated efforts at work, demonstrating responsibility and professionalism.



Event Highlights



SME Bank conducted a study tour to Eang Sokea and Chey Sambo Cashew Nut Processing Handicraft, and Cashew Nut Association of Cambodia

January 19, 2024



SME Bank was invited as a guest speaker at a seminar on “Business Development Context after Covid-19.” The seminar was organized the Federation of Associations for Small and Medium Enterprises of Cambodia.

January 19, 2024



SME Bank was honored to sponsor ‘Dinner Gathering and Business Matching Opportunity Program for Battambang, Banteay Meanchey, Siem Reap, Poipet, and Phnom Penh in 2024.’

January 22, 2024,



SME Bank was invited as a guest speaker at a seminar on “Business Development Context after Covid-19.” The seminar was organized the Federation of Associations for Small and Medium Enterprises of Cambodia.

January 29, 2024



SME Bank had the honor of sponsoring the “2023 Annual General Meeting and Outstanding Membership Award for 2023”.

February 28, 2024



SME Bank and Advance Digital World Trade Co., Ltd. (ADWT) jointly organized a seminar on “SME Access to Finance for Developing the Global Market.”

March 14, 2024



SME Bank had the honor of sponsoring a seminar on “Business Development Context after Covid-19.” The seminar was organized by the Federation of Associations for Small and Medium Enterprises of Cambodia (FASMEC)

March 15, 2024



SME Bank had the honor of sponsoring the 2nd National Day of Science, Technology & Innovation (STI Day 2024) under the theme “SMEs Go STI”, organized by the Ministry of Industry, Science, Technology & Innovation,

March 24-26, 2024



SME Bank had the honor of hosting students from CamEd Business School for a study tour.

March 22, 2024



SME Bank had the honor of sponsoring a seminar on “Business Development Context after Covid-19.” The seminar was organized by the Federation of Associations for Small and Medium Enterprises of Cambodia (FASMEC)

March 22, 2024



SME Bank had the honor of sponsoring the 2nd National Day of Science, Technology & Innovation (STI Day 2024), themed ‘SMEs Go STI.’

March 26, 2024



SME Bank had the honor of sponsoring an event “The Young Entrepreneurs Association of Cambodia and the 10th anniversary of the establishment of the Siem Reap branch”. The event was organized by Young Entrepreneurs Association of Cambodia (YEAC)

March 29, 2024



SME Bank had the honor of sponsoring a seminar on “Business Development Context after Covid-19.” The seminar was organized by the Federation of Associations for Small and Medium Enterprises of Cambodia (FASMEC) in Kratie Province

April 24, 2024



SME Bank had the honor of sponsoring a seminar on “Business Development Context after Covid-19.” This seminar was organized by the Federation of Associations for Small and Medium Enterprises of Cambodia (FASMEC)

May 3, 2024



SME Bank was invited as a guest speaker at a seminar on ‘Promoting products and services of SME Bank of Cambodia’. The event was organized by the Department of Industry, Science, Technology

May 16, 2024



SME Bank had the honor of sponsoring a seminar on “Business Development Context after Covid-19.” This seminar was organized by the Federation of Associations for Small and Medium Enterprises of Cambodia (FASMEC) in Kampong Thom province

May 17, 2024



The delegation paid a visit to the Policy Research Institute (PRI), the Ministry of Finance, Japan; and the Micro Business and Individual Unit, Japan Finance Corporation (JFC-Micro).

May 20, 2024



SME Bank participated in a five-day seminar on “SME Financing” in Tokyo, Japan from May 20-24, 2024. This seminar was organized by the Policy Research Institute (PRI), the Ministry of Finance, Japan; and the Micro Business and Individual Unit, Japan Finance Corporation (JFC-Micro).

May 20-24, 2024



SME Bank was honorably excited to attend a seminar on ‘Tourism Investment in the Southern Region’. The seminar, themed ‘Green Tourism Investment,’

June 13, 2024



SME Bank attended the ‘Regional Meeting’ as a guest speaker. The meeting was organized by the Cambodian Water Supply Association in Battambang Province

June 20, 2024



SME Bank had the honor of sponsoring a seminar focused on disseminating the amended Law on Factory and Handicraft Management, as well as implementing 5'S' Food Safety and Food Quality Regulations. The event was organized by the Department of Industry, Science.

July 11, 2024



SME Bank attended the 'Regional Meeting' as a guest speaker. The meeting was organized by the Cambodian Water Supply Association in Kampong Speu Province

July 16, 2024



SME Bank attended a press conference for the Business Visit, organized by the Cambodia Chamber of Commerce

August 1, 2024



SME Bank and the Business Development Center (BDC) jointly celebrated the groundbreaking ceremony of the Funan Techo Canal project with a drum-beating event.

August 5, 2024



SME Bank had the honor of hosting a delegation from the Central Bank of Bangladesh for a study visit.

August 8, 2024



SME Bank of Cambodia, attended the Dissemination Workshop on “The National Cashew Policy 2022-2027” as a guest speaker. The workshop was co-organized by the Ministry of Commerce and Steung Treng Provincial Administration.

September 10, 2024



SME Bank had the honor of sponsoring the ‘Training on Movable Asset Finance’, co-organized by the Young Entrepreneurs Association of Cambodia (YEAC), the Association of Banks in Cambodia (ABC), and the Cambodia Microfinance Association (CMA).

September 13, 2024



SME Bank and the Cambodia Chamber of Commerce (CCC) co-organized a dissemination event on “Criteria and Preparation for Access to Finance” for CCC’s SME members

September 20, 2024



SME Bank had the honor of sponsoring the '4th SME and Financial Night 2024', co-organized by the Young Entrepreneurs Association of Cambodia (YEAC), the Association of Banks in Cambodia (ABC), and the Cambodia Microfinance Association (CMA).

October 10, 2024



The Cambodia Accountant Forum 2024, under the topic "Role of Accounting & Financial Technology in Cambodia for 2030 Vision."

October 17-18, 2024



SME Bank had the honor of sponsoring the 'Cambodia Women Entrepreneurs Day,' organized by the Cambodia Women Entrepreneurs Association (CWEA),

November 11, 2024



SME Bank had the honor of participating as a partner and extending congratulations to the training program "Access to Finance for SMEs," organized by the Federation of Associations for SMEs of Cambodia (FASMEC) and Mekong Inclusive Ventures (MiV) and financially sponsored by the Skill Development Fund (SDF).

November 25, 2024



SME Bank in collaboration with the Policy Research Institute (PRI), the Ministry of Finance, Japan; and the Micro Business and Individual Unit, Japan Finance Corporation (JFC-Micro), conducted a seminar on “Credit Analysis”

November 19-20, 2024



“Entrepreneurial Ecosystem Day 2024” event, organized by Khmer Enterprise at Koh Pich Convention

November 24-25, 2024



The Association of Banks in Cambodia under the theme: “Promote Khmer Riel and Sustainability of the Banking Sector.

November 24, 2024



SME Bank was honored to attend “the Bankers' Annual Dinner 2024”,organized by The Association of Banks in Cambodia (ABC)

December 13, 2024



SME Bank had the honor of attending the official launching ceremony of “The Digital Platform for Onboarding the Informal Economy.”

December 16, 2024

Corporate Social Responsibility (CSR)



SME Bank organized a Team Building and CSR event under the theme: “Small Wheels, Big Heart – Cycling with SME Bank,” a cycling activity at the Angkor Wat temple.

February 23, 2024



SME Bank participated in the ‘Donate Blood, Save Lives’ program at the Center for Banking Studies (CBS).

March 7, 2024



Contributing with fundraising to support Kuntha Bopha Foundation of Cambodia.

March 11, 2024



SME Bank convened a meeting with the bank’s staff. The purpose was to advocate for and encourage contributions to the ‘10,000 Riel, 10,000 Donors’ campaign.

June 13, 2024



SME Bank distributed study materials to Choam Sangkae Primary School

June 29, 2024

Memorandum of Understanding (MOU)



SME Bank and The General Department of SMEs and Handicrafts of the Ministry of Industry, Science, Technology and Innovation (MISTI) signed a Memorandum of Understanding (MoU). The MoU aims to enhance access to finance for SMEs and support this sector in Cambodia, contributing to the country’s economic growth and development.

June 27, 2024



SME Bank and the Cambodia Chamber of Commerce (CCC) signed a Memorandum of Understanding (MoU). The MoU was signed by Dr. LIM Aun, CEO of SME Bank of Cambodia, and H.E. Oknha Nguon Meng Tech, Director General of CCC, with the management in attendance.

August 19, 2024



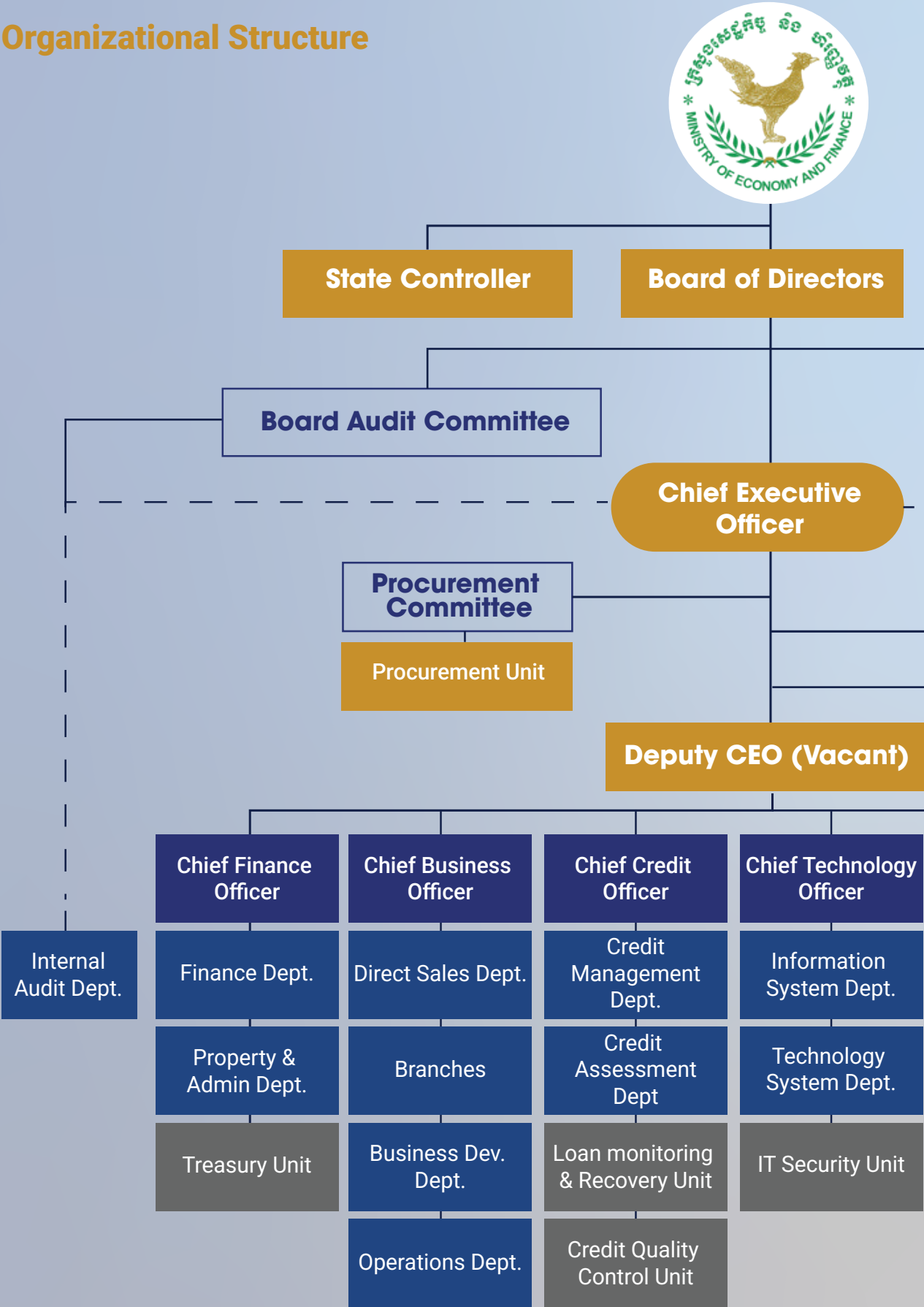
SME Bank and Water.org signed a Memorandum of Understanding (MoU). This MoU aims to improve access to finance for private water operators in Cambodia, thereby enhancing the well-being of the population, reducing poverty, and fostering sustainable socio-economic growth.

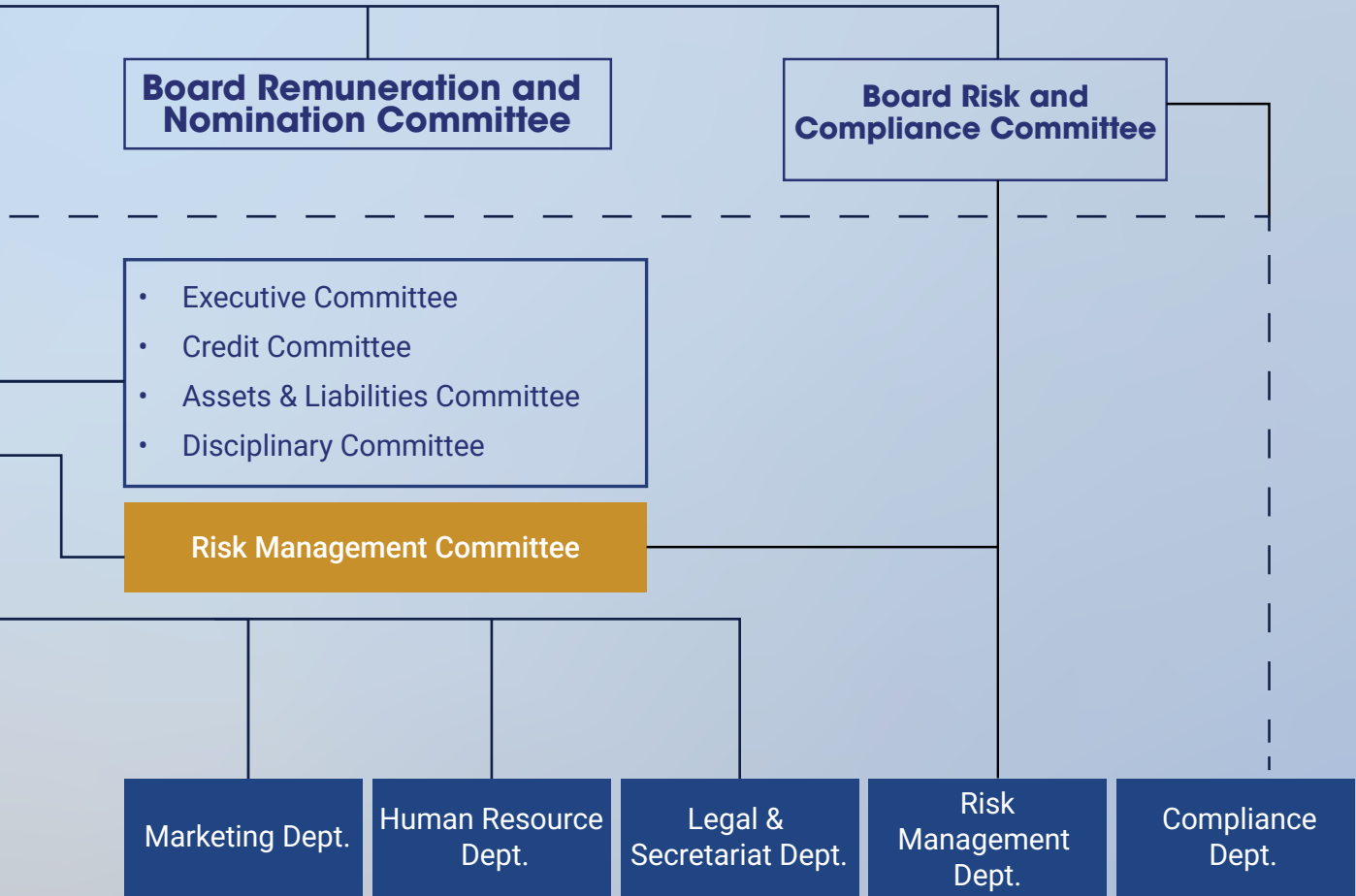
October 14, 2024

CORPORATE GOVERNANCE



Organizational Structure





The Board of Directors





The Board of Directors



H.E. Dr. PHAN Phalla

Secretary of State of Ministry of Economy and Finance (Chairman of Board of Directors)

H.E. Dr. PHAN Phalla joined the Ministry of Economy and Finance and the Supreme National Economic Council in 2004. He has been actively involved in various initiatives, including the development of the Financial Management Information System (FMIS), the Public Financial Management Reform Program (PFMRP), the formulation of national and sectoral strategies, the Revenue Mobilization Strategy, macroeconomic policy frameworks, and the preparation of the Strategic Framework and Program for Cambodia's Economic Recovery and Growth during the COVID-19 pandemic (2021–2023) under the “new normal” approach.

Currently, H.E. Dr. PHAN holds multiple positions, including: Member of the Supreme National Economic Council, Board Member of the Sihanoukville Autonomous Port, Secretary-General of the General Secretariat of the Economic and Financial Policy Committee, Secretary of State at the Ministry of Economy and Finance, Chairman of the Board of Directors of SME Bank.

H.E. Dr. PHAN holds his PhD in Economics from Australia.



H.E. SON Senghuot

Member of Board of Directors

H.E. SON Senghuot is the Secretary of State of the Ministry of Industry, Science, Technology and Innovation, he has a lot of experiences, before 2013, he was a director of Phnom Penh Department of Industry, Mines and Energy. From 2013 to 2014, He was the Deputy Director General of the Department of Small and Medium Enterprise and Handicrafts at the Ministry of Industry and Handicraft. From 2014 to the present, He is the Secretary of State of the Ministry of Industry, Science, Technology and Innovation in charge of the General Department of Small and Medium Enterprise and Handicrafts and the Department of Industrial Affairs of the General Department of Industry.

He graduated from Vietnam in Small and Medium Enterprise Management Skills and One Village One Product Management Skills from Japan. He underwent short-term training courses on small and medium enterprise management from Singapore and Korea. He holds a Master's Degree in Public Administration from Asia Europe University.



H.E. TEP Phiyorin

Member of Board of Directors

H.E. TEP Phiyorin is currently serving as Under Secretary of State at the Ministry of Economy and Finance. Previously, He held the position of Director General of the General Department of Policy.

He also served as an Advisor to the Executive Director of the World Bank Group, based in Washington D.C., United States. He began his career at the Ministry of Economy and Finance in 1999 as a Budget Officer, and over time held several key positions including: the Director of the Office of Macroeconomics, Deputy Head of Department, and Head of the Department of Economic Policy and Public Finance.

Currently, He is responsible for monitoring macroeconomic development, policy oversight, and analyzing development issues.

He holds a degree in Public Financial and Economic Management from the University of Birmingham, United Kingdom, and a degree in Economics from Kharkov State University of Economics, Ukraine.



Mrs. CHHORN Dalis

Member of Board of Directors

Mrs. CHHORN Dalis has been appointed as an Independent Board Member of the Small and Medium Enterprise Bank of Cambodia PLC in 2020. She has more than 20 years of experience as an accountant and leads small and medium enterprise in various fields, including agro-industry and clean water.

She holds a Master of Business Administration from the Asian Institute of Technology in Thailand and a Master of International Finance from Ceram Sophia Antipolis in France in 2002.



H.E. CHAN Sokty Member of Board of Directors

H.E. CHAN Sokty currently serves as the Royal Government Delegate in charge as Director General of Green Trade Company under the Ministry of Commerce, with the rank equivalent to Secretary of State, and is a Board Member of SME Bank.

He is also a member of the Committee for the Management of Cambodia's Food Reserve System (CMFRS), responsible for overseeing the government's food reserve mechanisms.

Previously, He held positions such as Director General of Domestic Trade at the Ministry of Commerce and Project Director of the Accelerating Inclusive Markets for Smallholders (AIMS) Project.

He began his career at the Ministry of Commerce in 1997 as an Officer in the Laboratory Department of the General Department of CamControl. Over time, he held various positions including: Chong Ty Deputy Branch Manager, Deputy Head of Department and Deputy Director General of the General Department of International Trade, Acting Director General of the General Department of Trade Promotion of the Ministry of Commerce.

He holds a degree in Food Chemical Engineering from the Institute of Technology of Cambodia and a Master's degree in Agriculture from the University of Tokyo, Japan.



H.E. Dr. KONG Marry State Controller

H.E. Dr. KONG Marry is a Secretary of State of the Ministry of Economy and Finance and State of Controller in SME Bank of Cambodia. His areas of expertise include ICT development, digital innovation and transformation, digital economy policy development, Fintech and business. His main roles at the Ministry involve driving reforms through the use of digital technology and platforms, developing startups and digital entrepreneurship and SMEs to go digital, and promoting innovation in financial technology (FinTech).

He obtained his Master's and Doctoral Degrees in Telecommunications Technology and Information Technology from Waseda University, Japan, Bachelor's Degree in Business Administration from the National University of Management, and is an associate member of the Council of Academicians of the Royal Academy of Cambodia.



Senior Management



Mr. CHEA Sophak

Chief Executive Officer

After graduating with Master's degree in International and Development Economics from the Australian National University (ANU), Mr. CHEA Sophak joined the Ministry of Economy and Finance (MEF) in 2015 as a Young Economist and lately served as the Deputy Director General of Policy and Deputy Secretary General of the Committee on Economic and Financial Policy.

During his public career with MEF, he was appointed as Director's Advisor representing Cambodia at Asian Development Bank (ADB) based in Manila of the Philippines for 2 years. In January, 2024. He was appointed as Chief Finance Officer of SME Bank of Cambodia. And currently, he's Chief Executive Officer since April 2025.



Mr. OEUR Vibol

Chief Credit Officer

Mr. OEUR Vibol has more than 17 years of experience in the banking sector. He started his career at one of the leading local banks in 2004 with several roles in accounting and finance. Since 2010, he has moved to work for one of the largest banks in the region as a participant in the establishment of the first bank, which can provide additional experience and professional experience in accounting, finance, and risk management as well as the last role as Director of Risk Analysis and Management with the main responsibility was to develop and implement risk management frameworks and policies to suit the operation and regulations.

In August 2020, he joined Small and Medium Enterprise Bank of Cambodia PLC as an Executive Director of Risk Management to oversee risk management functions, including credit risk, operational risk, liquidity risk and market risk.

In 2004, he graduated from the National University of Management with a degree in Accounting and Finance.



Mr. DEN Davuth

Chief Technology Officer

Mr. DEN Davuth started his career in 2005 with a local bank in Information Technology. He joined SME Bank of Cambodia in July 2021 with key responsibilities to execute Bank's IT strategy, business process re-engineering initiatives, and strengthen IT governance and control.

In 2010 he was part of the pioneer group to set a bank, of the biggest regional banks in Cambodia, where he headed the Information Technology & Operations departments. From 2018-2019, he drove a project team to set up a new local bank's IT and digital banking infrastructure. From 2020-2021, he was Chief Technology & Information Officer at Sathapana Bank.

He graduated with a bachelor's degree in Computer Science and Engineering from the Royal University of Phnom Penh in 2004, a bachelor's degree in Public Communication from the Institute of Foreign Languages in 2009 and received his Management and Leadership Certificate from Nanyang Technological University in 2013.



Mr. HUOT Sokha

Chief Business Officer

In March 2025, Mr. HUOT Sokha joined SME Bank as Chief Business Officer to oversee business, operations, sales, branch and distribution strategies. Sokha has more than 25-year of management and leadership experiences in an international trading company, microfinance and banking, and garment industry.

He holds a Bachelor's Degree in Management and Marketing at MVU University in 1997 and graduated with an MBA from the Charles Stuart University of Australia in 2004. He also obtained a Postgraduate Study on Finance Development Program at NAROPA University, Colorado, USA.

Corporate Governance

The Bank has a strong governance structure through the technical and financial guidance of the Ministry of Economy and Finance with further supervision from the National Bank of Cambodia. The bank is managed by the Chairman and Members of the Board appointed by the Sub-Decree of the Royal Government of Cambodia.

The Bank operates on the basis of the principles, regulations, procedures, validation and evaluation mechanisms established by the management and other relevant departments within the Bank and approved by the Board of Directors.

Board of Directors' Meeting

The Board of Directors (The Board) consists of seven members, which is two Executive Directors and five Non-Executive Directors. The Board's primary responsibility is to establish the Bank's objectives and oversee its overall management and operations, in line with the policy direction of the Royal Government of Cambodia. The Board is primarily accountable to the Ministry of Economy and Finance (the sole shareholder) for the proper conduct of the Bank's business.

In 2024, the Board conducted six meetings to review and approve a number of important tasks. These included: reviewing the progress of banking operations on a regular basis, establishing new branches, reviewing and discussing to address the solutions to Non-Performing Loans (NPLs), approving the three-year business plan 2025-2027, approving the procurement plan for 2025 and approving the revisions and updates of other important policies.



Board Risk and Compliance Committee

The Board appoints the Board Risk and Compliance Committee (BRCC) and comprises of four Non-Executive Directors. BRCC’s responsibility is authorized by the Board to ensure that the integrated risk management functions within the Bank are effectively discharged.

The BRCC oversees credit, liquidity, market, and operational risks including a review of strategic risks, policies, guidelines, assessment methodology, and the risk management report. The BRCC reports to the Board of Directors on all risk and compliance matters of the Bank.

A total of twelve (12) BRCC meetings were held in 2024 and the Directors’ attendance at the meetings was as follows:

No.	Directors	Composition
1	H.E. TEP Phiyorin	Chairman
2	H.E. SON Seng Huot	Member
3	H.E. CHAN Sokty	Member
4	Mrs. CHHORN Dalis	Member

| Risk Management

- To review, formulate and recommend those policies which are reserved for the Board’s approval in respect of risk management issues and strategies, risk tolerance and other policies for the Board’s approval;
- To review and provide prior endorsement on any product/policy deviation before the Board’s approval;
- To review and provide prior endorsement on credit application before the Board’s approval;
- To review and approve procedures to assist implementation of policy;
- To approve for policy review with no change or immaterial change or incidental change;
- To review and consider the adequacy of risk management policies and frameworks, identifying, measuring, monitoring, and controlling risk, and the extent to which these are operating effectively;

- To ensure infrastructure, resources and systems are in place for risk management i.e., to ensure that the staff responsible for implementing risk management systems, perform those duties independently of the Bank's risk-taking activities;
- To review management's periodic reports on risk exposure, risk portfolio composition, asset quality, risk rating systems, risk appetite, stress testing, and risk management activities;
- To ensure that the Bank's overall impaired loans portfolio meets with the guidelines of regulatory authorities and approved policies and procedures;
- To review and approve risk-taking activities as delegated;
- To establish and keep under review any sub-committee;
- To undertake the risk-related tasks assigned by Board of Directors.

| Compliance

- To discuss compliance, anti-money laundering, and combating the financing of the terrorism and proliferation of weapons of mass destruction ("AML/CFT &PF) risk, and ensure the risks are mitigated effectively and expeditiously;
- To review and approve compliance AML/CFT & PF framework/policies and evaluate the effectiveness of the Bank's overall management of compliance and AML/CFT &PF risk. To accord high attention and strengthen compliance functions, resources and infrastructure;
- To review/assist in leading and overseeing technical development of Foreign Account Tax Compliance Act (FATCA) compliance and reporting to relevant regulators;
- To review reports from the Compliance Officer for ensuring adherence to internal compliance policies and procedures and compliance with laws and regulations, as requested by the Committees or required by law and regulations;
- To report to the Board on its consideration of compliance-related matters, identifying those areas where action or improvement is needed, and making recommendations as appropriate;
- To consider and provide prior endorsement on recruitment, appointment, and removal of the Compliance Officer as per National Bank of Cambodia's requirement; and
- To consider and examine such other matter as the BOD requires, the Committee considers appropriate, or which are otherwise brought to attention, and to make recommendations or/ and reports to the Board as appropriate.

| Key Matters Reviewed/Deliberated/Approved

Throughout the financial year-end 2024, BRCC has committed to ensure the Bank's structure remained resilient against unexpected economic shocks as set out below:

- Discussed Risk Management Report
- Discussed Compliance and Regulatory Compliance Risk Report
- Reviewed and endorsed Risk Appetite Statement
- Reviewed and endorsed BRCC's Terms of Reference
- Reviewed and endorsed AML/CFT and PF Policy
- Reviewed and endorsed Compliance Policy
- Reviewed and endorsed Risk Management Policy
- Reviewed and endorsed Operational Risk Policy
- Reviewed and endorsed Temporary Exemption of IT Security Risk
- Reviewed and endorsed New Product/Policy Approval Framework
- Reviewed and endorsed Business Continuity Plan Policy
- Reviewed and endorsed Liquidity Risk Management Policy
- Reviewed and endorsed Contingency Funding Plan Policy
- Reviewed and endorsed Liquidity Crisis Action Plan
- Reviewed and endorsed Waiving Commitment Fee for Revolving Credit
- Reviewed and endorsed Credit Applications
- Reviewed and endorsed Revised Credit Procedure and Other Credit-related proposal
- Reviewed and endorsed Revised Credit Delegated Approving Authority
- Reviewed and endorsed IT Policy
- Reviewed and endorsed Business Plan 2025-2027
- Reviewed and endorsed Tourist Transportation Boat Scheme
- Reviewed and Endorsed the Use of Cloud Computing Services
- Reviewed and Endorsed Finance Delegated Authority
- Approved Compliance Report Template
- Approved AML/CFT and PF Procedure
- Approved Credit Loss Rate for Calculation of Expected Credit Loss
- Approved Stress Test Scenario Result and Analysis for Position as of 2024

| Risk Management Department

Risk Management plays a vital role in the banking business and is even more crucial in challenging business environments. The role of Risk Management has also been broadened, and a strong risk culture needs to be embedded into business units to ensure adequate risk transparency for the sustainable growth of the Bank. Risk Management functions work independently and closely with all relevant business units to ensure the understanding of risk culture and awareness.

Overall, Risk Management Department is responsible for administrating the day-to-day risk management functions as well as the monitoring and control of the Bank's risk exposures with regular reporting to the Risk Management Committee and the Board Risk and Compliance Committee (BRCC).

Key Roles of Risk Management:

| Credit Risk

Credit Risk is the possibility of losses due to a borrower or market counterparty failing to perform its contractual obligations to the Bank.

The credit risk management is mainly focused on analyzing, approving and monitoring loans independently and professionally to ensure that the terms and conditions are met. Credit Management Department performs a follow-up role to ensure that approved terms and conditions are properly monitored.

Credit management is also responsible for reviewing and monitoring the Bank's loan portfolio and any credit-related limit/threshold. Besides, Credit Quality Control and Loan Monitoring and Recovery units help to strengthen the Bank's asset quality and its long-term sustainability.

| Liquidity Risk

Liquidity Risk is the risk that the Bank does not have sufficient financial resources available to fund increases in assets or to meet its obligations as they come without incurring unacceptable losses.

The Bank must maintain sufficient liquidity at all times so that its cash flow positions and/or liquefiable assets are readily available to meet financial and regulatory obligations under BAU and stress conditions.

Liquidity risk undertaken by the Bank is governed by an established liquidity risk appetite that defines the risk-taking level that the Bank is willing to accept in pursuit of its strategic and business objectives.

Risk Management is responsible for monitoring the Bank's liquidity risk profile and reports regularly to the Risk Management Committee and the BRCC to manage its liquidity position to meet its daily operational needs and regulatory requirements.

| Market Risk



Market Risk is defined as fluctuations in the value of financial instruments due to changes in market risk factors such as interest rates, currency exchange rates, credit spreads, equity prices, commodities prices, and their associated volatility.

| Operational Risk



Operational Risk refers to the risk of loss resulting from inadequate or failed internal processes, people and systems or external events. One of the key requirements of a robust risk management structure is having effective Operational Risk Management tools to identify comprehensively, measure, monitor, control, and report the entity's operational risk exposures.

Board Audit Committee

The Board Audit Committee (“BAC”) is appointed by the Board. Board of Audit Committee has composed of four members who are Non-Executive Directors to provide oversight of the internal audit, financial statements, internal control system, and risk management framework to ensure compliance with regulatory requirements in the Bank. A total of nine (09) Board Audit Committee meetings were held in 2024 at the meetings are as follows:

No	Directors	Composition
1	Mrs. CHHORN Dalis	Chairwoman
2	H.E. TEP Phiyorin	Member
3	H.E. SON Senghuot	Member
4	H.E. CHAN Sokty	Member

The Board Audit Committee performs the roles and responsibilities as follows:

- Ensure the information provided to the Public and the National Bank of Cambodia is accurate and reliable.
- Ensure the internal auditors regularly audit the accounting methods, records, and financial statements to meet the expectations of the regulations and the Board.
- Evaluate, check, and approve the internal audit policies, procedures, and annual internal audit plans, mainly whether the system measuring, monitoring, and risk management are consistent and recommended on audit findings.
- Assist the Board in overseeing the implementation of accounting policies, preparing accurate and sufficient reports, and ensuring the effectiveness of internal control.
- Ensure corrective action between the internal auditor and senior management to comply with the target response.



| Results of the Board Audit Committee's performance achievement in 2024:

- Reviewed and advised on internal audit findings, and special audit findings;
- Discussed the KPIs for the Internal Audit team, budgeting, and staffing manpower;
- Reviewed the implementation following recommendations from the Internal Audit Department and the Board Audit Committee;
- Reviewed and approved on the Revisited Internal Audit Methodology;
- Reviewed and endorsed on External Auditor selection before the Board of Director approved;
- Conducted meeting between senior management with External Auditors on findings;
- Reviewed and endorsed on Annual Audit Report 2024 before the Board of Director's approved for submitted to CAFIU;
- Reviewed and approved Internal Control Report 2024 for submitted to NBC and CAFIU;
- Reviewed training course for internal auditors;
- Reviewed and approved Annual Internal Audit Plan for 2024;
- Evaluated annual performance of the Head of Internal Audit.

| Internal Audit Department

The Internal Audit Department is responsible for regularly evaluating, checking, and monitoring the implementation of the Bank's internal control system and governance to ensure the Bank's vision and main objectives' effectiveness. To ensure the transparency and independence of the audit work, the internal auditors must report directly to the Board Audit Committee and indirectly to the Chief Executive Officer on certain administrative matters.

| Internal Audit's Key Roles:

- Manage audit work, coordinate, review, and report on the internal audit's work, and provide the Audit Standards, criteria, and requirements of the internal audit.
- Plan, manage, and monitor the daily work activities of the Internal Audit Department and develop and maintain effective and efficient customers and staff.
- Ensure that Bank's management and employees fully implement all internal policies and procedures.
- Introduce management to the impact of risks related to new products and services or activities and plans to mitigate risks.
- Prepare and update an internal risk-based audit plan for evaluating the effectiveness of risk management and report the internal audit report to the Board of Audit Committee.
- Ensure the management has responded and acted on the internal audit report and implemented the recommendation by the target date. Perform other tasks as assigned by the Board of Audit Committee.
- Assist the Board Audit Committee and the Board of Directors in fulfilling their responsibilities for properly implementing accounting policies, reports, adequacy, and effectiveness of internal control.

Board Remuneration and Nomination Committee (BRNC)

The Board Remuneration and Nomination (BRNC) Committee is appointed by the Board of Directors to ensure that the Remuneration Policy is consistent with the long-term objectives and corporate values of the SME Bank and reasonable in the light of the SME Bank’s objectives, compensation for a similar function in other banks and financial institutions, and other relevant factors with due regard to the interests of the shareholders and to the financial and commercial needs of the SME Bank. The Board of Remuneration and Nomination Committee consists of 1 (one) executive director and 3 (three) non-executive directors as follows:

No.	Directors	Composition
1	H.E. SON Senghuot	Chairman
2	H.E. TEP Phiyorin	Member
3	H.E. CHAN Sokty	Member
4	Mrs. CHHORN Dalis	Member

The BRNC performs the roles and responsibilities as follows:

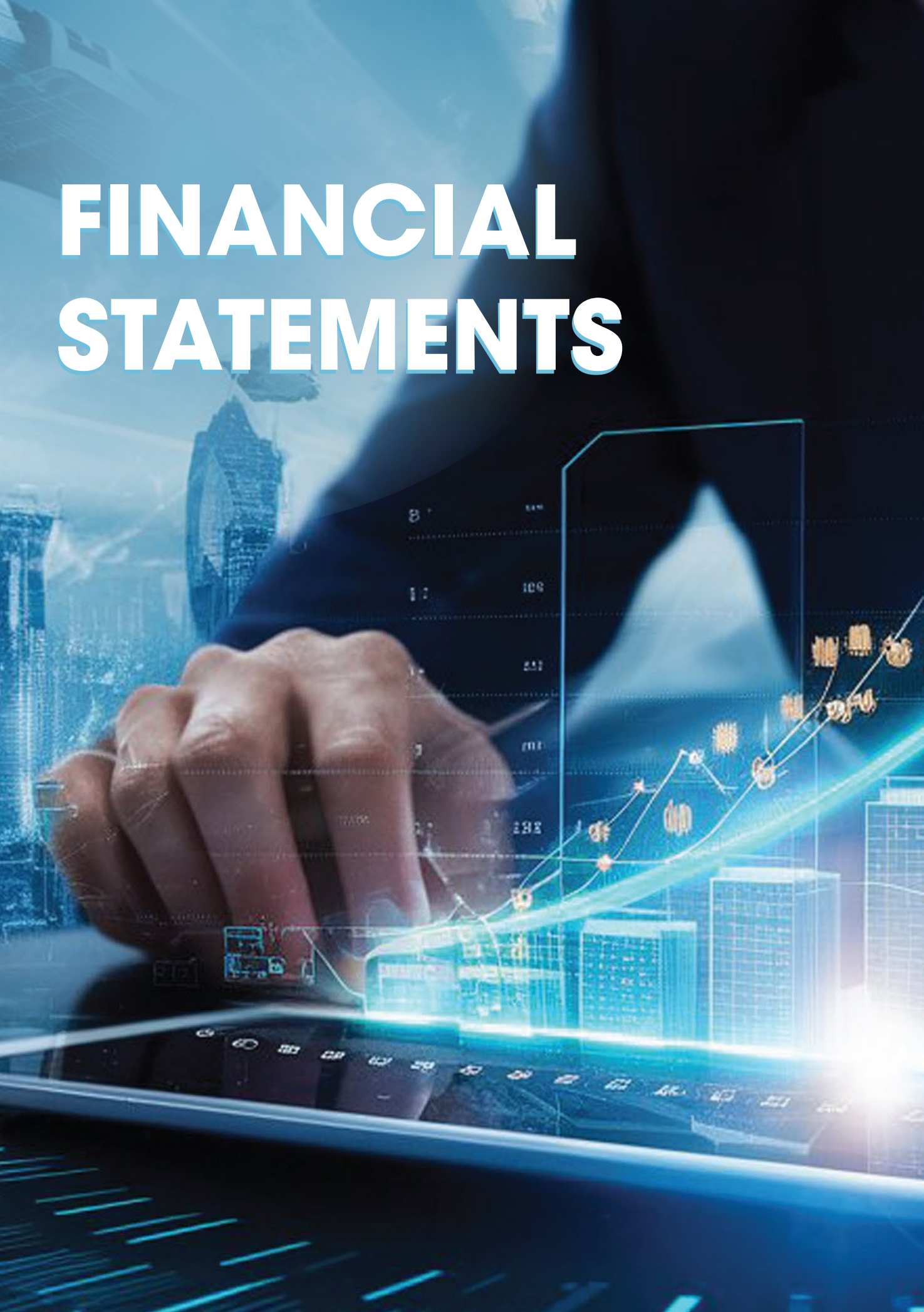
- Cover all aspects of remuneration, including but not limited to Directors’ fees, salaries, allowances, expenses, consultancy fees (where applicable) and benefits in kind.
- Recommend the remuneration of the Directors of the SME Bank to the Board of Director.
- Recommend to the Board the performance targets and incentive plan (including bonus and any other scheme designed to encourage long-term corporate value creation) for the SME Bank Managements, the Head of Internal Audit, and the Compliance Manager for the coming year.
- Review the adequacy and form of compensation to the SME Bank Managements and Key Managers to ensure that it is realistically commensurate with the responsibilities and risks involved in being an effective member of the management team.
- Review and guide the evaluation of the effectiveness of the Board and the Board committee at least once per year.
- Review and update the relevant policies and procedures at least once a year for BOD’s approval.



| Results of the Board of Remuneration and Nomination Committee in 2024:

- Reviewed and endorsed the annual performance appraisal results.
- Reviewed and endorsed the 2025 annual salary increment and the 2024 performance bonus for employees, prior to approval by the Board of Directors.
- Reviewed and endorsed the 2024 KPI setting and form, prior to approval by the Board of Directors.
- Reviewed and endorsed the terms of reference for the executive committee and staff representatives, prior to approval by the Board of Directors.
- Reviewed and advised on the terms of reference for all departments and units, prior to approval by the Board of Directors.
- Reviewed and endorsed the revised Code of Conduct, prior to approval by the Board of Directors.
- Reviewed and approved additional headcount for departments/units and branches.
- Reviewed and endorsed the succession planning policy, prior to approval by the Board of Directors.

FINANCIAL STATEMENTS





\$8.50

\$6.00

\$5.50

\$5.90

\$6.50

\$6.00 -

\$5.60

\$5.90

1 2 3 4 5 6 7 8 9 10 11 12

Report of the Board of Directors

The Board of Directors of Small and Medium Enterprise Bank of Cambodia Plc. (“the Bank”) presents its report and the Bank’s financial statements as at 31 December 2024 and for the year then ended.

I Principal activity

The Bank was incorporated in the Kingdom of Cambodia as a state-owned bank organised under the Law on the General Statute of Public Enterprise with the registration certificate Co. 0001 M/2020 issued by the Ministry of Commerce on 13 January 2020. The Bank is under the technical and financial supervision of Ministry of Economy and Finance (“MEF”).

The Bank obtained its banking license from the National Bank of Cambodia (“NBC”) on 27 February 2020 to operate as a commercial bank.

The Bank’s principal business activities are provisions of financing and commercial banking services to support small and medium enterprises in the Kingdom of Cambodia.

The Bank’s registered office address is located at MEF Business Development Center, OCIC Street, Phum Kien Khleang, Sangkat Chraoy Chongvar, Khan Chraoy Chongvar, Phnom Penh, Cambodia.

| Results of operation and dividend

The results of the Bank’s operations for the year ended 31 December 2024, and the state of its affairs as at that date are set out in the accompanying financial statements.

There were no dividends proposed, declared or paid by the Bank during the year.

| Expected credit losses on loans and advances

Before the financial statements of the Bank were prepared, the Board of Directors took reasonable steps to ascertain that action had been taken in relation to writing off bad loans or recognition of allowance for expected credit losses and satisfied themselves that all known bad loans had been written off and that adequate allowance had been made for expected credit losses on loans and advances.

At the date of this report and based on the best of our knowledge, the Board of Directors is not aware of any circumstances which would render the amounts written off for bad loans or the amounts of the allowance for expected credit losses in the financial statements of the Bank inadequate to any material extent.

| Assets

Before the financial statements of the Bank were prepared, the Board of 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 Bank, had been written down to amounts which they might be expected to realise.

At the date of this report and based on the best of knowledge, the Board of Directors is not aware of any circumstances which would render the values attributed to the assets in the financial statements of the Bank misleading in any material respect.

| Valuation methods

At the date of this report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets and liabilities in the financial statements of the Bank misleading or inappropriate.

| Contingent and other liabilities

At the date of this report, there are:

- (a) no charges on the assets of the Bank 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,
- (b) no contingent liabilities in respect of the Bank 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 Bank 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 Board of Directors, will or may substantially affect the ability of the Bank 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 Bank, 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 Bank for the year were not, in the opinion of the Board of 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 Board of Directors, to affect substantially the results of the operations of the Bank for the current financial year in which this report is made.

| The Board of Directors

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

Name	Position	Date of appointment/ (resignation)
H.E. Dr. PHAN Phalla	Secretary of State, Ministry of Economy and Finance and Chairman of the Board of Directors	18 November 2020
H.E. TEP Phiyorin	Member	5 December 2019
H.E. SON Seng Huot	Member	5 December 2019
H.E. CHAN Sokty	Member	5 December 2019
Mrs. CHHORN Dalis	Member	1 September 2020
Mr. CHEA Sophak	Acting Chief Executive Officer and Member	12 December 2024
Dr. LIM Aun	Chief Executive Officer and Member	5 December 2024 (resignation)
Mr. NEAV Sokun	Chief Operating Officer and Member	4 October 2024 (resignation)

| Auditor

The financial statements as at 31 December 2024 and for the year then ended have been audited by the accounting firm of Grant Thornton (Cambodia) Limited.

| Directors' interests

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

Directors' benefits

During and at the end of the year, no arrangement existed to which the Bank was a party with the objective of enabling the directors of the Bank to acquire benefits by means of the acquisition of shares in or debentures of the Bank or any other body corporate.

During the financial year, no director of the Bank has received or become entitled to receive any benefit by reason of a contract made by the Bank or a related corporation with a firm of which the director is a member, or with a company in which the director has substantial financial interest other than as disclosed in the financial statements.

| Responsibilities of the Board of Directors and the Management in respect of the financial statements

The Management is responsible for the preparation of financial statements that present fairly, in all material respects, the financial position of the Bank as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with CIFRS Accounting Standards and guidelines of the NBC. In preparing these financial statements, the Management is 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 CIFRS Accounting Standards as adopted by the Accounting and Auditing Regulator of Cambodia, based on IFRS Accounting Standards as issued by the International Accounting Standards Board or, if there have been any departures in the interest 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 control;

- assess the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so; and
- control and direct effectively the Bank in all material decisions affecting the operations and performance and ascertain that such decisions and/or instructions have been properly reflected in the financial statements.

The Board of Directors is also responsible for safeguarding the assets of the Bank and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Directors confirms that the Bank has complied with the above requirements in preparing and reviewing the financial statements.

Statement by the Board of Directors

In the opinion of the Board of Directors, the accompanying statements of financial position, comprehensive income, changes in equity and cash flows, together with the notes thereto, have been properly drawn up, and present fairly, in all material respects, the financial position of the Bank as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with CIFRS Accounting Standards and guidelines of the NBC.

Signed on behalf of the Board of Directors:



H.E. Dr. PHAN Phalla

Secretary of State, Ministry of Economy and Finance and Chairman of the Board of Directors



Mr. CHEA Sophak

Acting Chief Executive Officer and Member

Phnom Penh, Kingdom of Cambodia
20 March 2025

Independent auditor's report

To the Shareholders of Small and Medium Enterprise Bank of Cambodia Plc.

| Opinion

We have audited the financial statements of Small and Medium Enterprise Bank of Cambodia Plc. ("the Bank"), which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2024, and of its financial performance and cash flows for the year then ended, in accordance with CIFRS Accounting Standards as adopted by the Accounting and Auditing Regulator of Cambodia, based on IFRS Accounting Standards as issued by the International Accounting Standards Board and the guidelines of the National Bank of Cambodia.

| Basis for opinion

We conducted our audit in accordance with Cambodian International Standards on Auditing ("CISAs"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in the Kingdom of Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

| Information other than the financial statements and auditor's report thereon

Management is responsible for the other information. The other information comprises the Report of the Board of Directors, but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the annual report, which is expected to be made available to us after that date.

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

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Directors and respond to that matter in accordance with the requirements of CISA 720 (revised).

| Responsibilities of Management and the Board of Directors for the financial statements

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

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

The Board of Directors is responsible for overseeing the Bank's financial reporting process.

| Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with CISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including 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.

Grant Thornton


 A blue circular stamp of Grant Thornton (Cambodia) Limited. The outer ring contains the text 'ព្រះរាជាណាចក្រកម្ពុជា' (Kingdom of Cambodia) at the top and 'សហគមន៍កម្មវិធី' (Professional Firm) at the bottom. The inner circle contains 'GRANT THORNTON (CAMBODIA) LIMITED' in English and Khmer.

GRANT THORNTON (CAMBODIA) LIMITED

Certified Public Accountants

Registered Auditors


 A handwritten signature in blue ink, appearing to read 'Ronald C. Almera'.

Ronald C. Almera

Partner – Audit and assurance

Phnom Penh, Kingdom of Cambodia

20 March 2025

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

		31 December 2024		31 December 2023	
	Notes	USD	KHR'000	USD	KHR'000
		(Note 2.3)		(Note 2.3)	
Assets					
Cash on hand	3	1,947,169	7,837,355	1,998,634	8,164,420
Balances with National Bank of Cambodia	4	12,171,470	48,990,167	10,245,833	41,854,228
Balances with other banks	5	150,363,754	605,214,110	91,082,793	372,073,209
Loans and advances to customers – net	6	211,200,141	850,080,568	211,933,853	865,749,790
Intangible assets	8	308,821	1,243,005	614,419	2,509,902
Property and equipment	9	1,534,045	6,174,531	2,145,511	8,764,412
Right-of-use assets	10	1,661,935	6,689,288	2,034,601	8,311,345
Statutory deposits	11	439,155	1,767,599	338,272	1,381,841
Deferred tax assets	12 (iv)	445,640	1,793,701	836,917	3,418,805
Other assets	7	308,200	1,240,505	386,677	1,579,575
Total assets		380,380,330	1,531,030,829	321,617,510	1,313,807,527
Equity and liabilities					
Equity					
Share capital	17	200,000,000	800,000,000	200,000,000	800,000,000
Contributions from Ministry of Economy and Finance	18	1,246,882	4,987,528	1,246,882	4,987,528
Regulatory reserves	19	8,160,362	32,845,457	1,259,584	5,145,401
Accumulated losses		(9,748,666)	(39,318,838)	(4,213,344)	(17,177,553)
Cumulative translation differences		-	5,111,629	-	17,072,027
Total equity		199,658,578	803,625,776	198,293,122	810,027,403
Liabilities					
Deposits from other financial institutions	13	30,662	123,415	52,855	215,913
Deposits from customers	14	4,775,962	19,223,247	3,964,860	16,196,453
Borrowings	15	173,577,977	698,651,357	116,511,573	475,949,776
Income tax liabilities	12 (i)	12,496	50,297	11,521	47,063
Lease liabilities	10	1,725,330	6,944,453	2,100,041	8,578,667
Other liabilities	16	599,325	2,412,284	683,538	2,792,252
Total liabilities		180,721,752	727,405,053	123,324,388	503,780,124
Total equity and liabilities		380,380,330	1,531,030,829	321,617,510	1,313,807,527

The accompanying notes are an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	For the year ended		For the year ended	
		31 December 2024		31 December 2023	
		USD	KHR'000	USD	KHR'000
		(Note 2.3)		(Note 2.3)	
Interest income	20	13,532,448	55,090,596	10,780,483	44,307,785
Interest expense	20	(2,760,385)	(11,237,527)	(1,711,403)	(7,033,866)
Net interest income		10,772,063	43,853,069	9,069,080	37,273,919
Net fee and commission	21	406,609	1,655,305	203,594	836,771
Foreign exchange (loss)/gain		(309,943)	(1,261,778)	215,537	885,857
Total operating income		10,868,729	44,246,596	9,488,211	38,996,547
Provision for expected credit losses	6	(1,639,324)	(6,673,688)	(3,517,258)	(14,455,930)
Personnel expenses	22	(4,154,814)	(16,914,248)	(3,549,587)	(14,588,803)
Depreciation and amortisation	23	(1,437,801)	(5,853,288)	(1,247,950)	(5,129,075)
General and administrative expenses	24	(1,740,013)	(7,083,593)	(1,366,319)	(5,615,571)
Profit/(loss) before income tax		1,896,777	7,721,779	(192,903)	(792,832)
Income tax expense	12 (ii)	(531,321)	(2,163,008)	(79,488)	(326,696)
Net profit/(loss) for the year		1,365,456	5,558,771	(272,391)	(1,119,528)
Other comprehensive loss -					
Currency translation differences		-	(11,960,398)	-	(6,347,286)
Total comprehensive income/(loss) for the year		1,365,456	(6,401,627)	(272,391)	(7,466,814)

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital	Contributions from Ministry of Economy and Finance	Accumulated losses	Regulatory reserves	Cumulative translation differences	Total equity	
	USD	USD	USD	USD	KHR'000 (Note 2.3)	USD	KHR'000 (Note 2.3)
As at 1							
January 2024	200,000,000	1,246,882	(4,213,344)	1,259,584	17,072,027	198,293,122	810,027,403
Profit for the year	-	-	1,365,456	-	-	1,365,456	5,558,771
Transfer to							
regulatory reserves	-	-	(6,900,778)	6,900,778	-	-	-
Currency translation							
differences	-	-	-	-	(11,960,398)	-	(11,960,398)
As at 31							
December 2024	200,000,000	1,246,882	(9,748,666)	8,160,362	5,111,629	199,658,578	803,625,776
As at 1							
January 2023	200,000,000	1,246,882	(2,681,369)	-	23,419,313	198,565,513	817,494,217
Loss for the year	-	-	(272,391)	-	-	(272,391)	(1,119,528)
Transfer to regulatory							
reserves	-	-	(1,259,584)	1,259,584	-	-	-
Currency translation							
differences	-	-	-	-	(6,347,286)	-	(6,347,286)
As at 31							
December 2023	200,000,000	1,246,882	(4,213,344)	1,259,584	17,072,027	198,293,122	810,027,403

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

		For the year ended		For the year ended	
		31 December 2024		31 December 2023	
	Notes	USD	KHR'000	USD	KHR'000
		(Note 2.3)		(Note 2.3)	
Cash flows from operating activities					
Profit/(loss) before income tax		1,896,777	7,721,779	(192,903)	(792,832)
Adjustments for:					
Provision for expected credit losses	6	1,639,324	6,673,688	3,517,258	14,455,930
Interest expense on borrowings	15	2,602,870	10,596,284	1,547,539	6,360,385
Depreciation and amortisation	23	1,437,801	5,853,288	1,247,950	5,129,075
Currency revaluation on borrowings	15	1,198,948	4,880,917	579,809	2,383,015
Unrealised gain on foreign currency exchange		314,447	1,280,114	321,449	1,321,155
Write-off of software in progress	8	46,800	190,523	-	-
Interest expense on lease liabilities	10	44,544	181,339	52,022	213,810
Operating profit before changes in working capital		9,181,511	37,377,932	7,073,124	29,070,538
Changes in working capital					
Net changes in:					
Statutory deposits		(100,883)	(410,695)	(16,307)	(67,022)
Loans and advances to customers - net		(905,612)	(3,686,746)	(4,950,179)	(20,345,236)
Deposit from other financial institutions		(22,193)	(90,348)	3,394	13,949
Deposit from customers		811,102	3,301,996	(695,664)	(2,859,179)
Other assets		(237,970)	(968,776)	(529,807)	(2,177,507)
Other liabilities		(84,213)	(342,831)	(201,153)	(826,739)
Cash generated from operating activities		8,641,742	35,180,531	683,407	2,808,803
Income tax paid	12 (i)	(139,069)	(566,150)	(336,984)	(1,385,004)
Net cash from operating activities		8,502,673	34,614,381	346,423	1,423,799
Cash flows from investing activities					
Placements in short-term deposits		(16,909,432)	(68,838,298)	(8,169,529)	(33,576,764)
Purchases of property and equipment	9	(176,253)	(717,526)	(915,976)	(3,764,661)
Purchases of intangible assets	8	(16,766)	(68,254)	(147,913)	(607,922)
Net cash used in investing activities		(17,102,451)	(69,624,078)	(9,233,418)	(37,949,347)

		For the year ended		For the year ended	
		31 December 2024		31 December 2023	
	Notes	USD	KHR'000	USD	KHR'000
		(Note 2.3)		(Note 2.3)	
Cash flows from financing activities					
Proceeds from borrowings	15	55,853,460	227,379,436	41,467,082	170,429,707
Interest paid on borrowings	15	(2,588,874)	(10,539,306)	(1,099,131)	(4,517,429)
Payments of lease liabilities	10	(419,107)	(1,706,185)	(342,755)	(1,408,723)
Net cash from financing activities		52,845,479	215,133,945	40,025,196	164,503,555
Net increase in cash and cash equivalents		44,245,701	180,124,248	31,138,201	127,978,007
Cash and cash equivalents at the beginning of year		75,270,568	307,480,271	44,132,367	181,692,955
Currency translation differences		-	(6,551,536)	-	(2,190,691)
Cash and cash equivalents at the end of year	3	119,516,269	481,052,983	75,270,568	307,480,271
Additional information on operational cash flow from interest:					
Interest received		13,349,122	54,344,276	10,252,711	42,138,642
Interest paid		2,865,731	11,666,391	1,606,387	6,602,251



Details from financial statements
Please scan

The accompanying notes are an integral part of these financial statements.



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