



អិលប៊ីភី មីក្រូហិរញ្ញវត្ថុ ភីអិលស៊ី
LBP MICROFINANCE PLC.

ANNUAL REPORT

2024

CONTACT US

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WELCOME

Corporate Information

Company : L B P Microfinance Plc.

Registration No : 00012485

Registered office : #D3 & E, Street 169, Sangkat Veal Vong Khan 7
Makara, Phnom Penh Kingdom of Cambodia

Head office : L B P Microfinance Plc., Phnom Penh, Kingdom of
Cambodia

Shareholders : Neak Oknha LAY BUN PA
: Lok Chumteav Oknha LAY CHHUN NY

Board of Directors

Neak Oknha LAY BUN PA : Chairman

Lok Chumteav Oknha LAY CHHUN NY : Non-executive member

Oknha LAY BUNNAVATH : Executive member and Managing Director

Oknha LAY MONIKA : Non-executive member

Oknha LAY DINA : Non-executive member

Mr. BOU ROS : Independence Director

Mr. MUONG SAMBATH : Executive member and Chief Executive Officer

Principal Bankers : Canadia Bank
: Cambodian Public Bank

Auditors : Crowe (KH) Co.,Ltd

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Oknha LAY BUNNAVATH

Managing Director

1. Message from Management

LBP MICROFINANCE PLC is a private institution that received its license from the National Bank of Cambodia in August 2016 as a microfinance institution. Our main mission is to provide Cambodian entrepreneurs with sufficient funds to invest in their businesses and to support the needs of Cambodia's People through our loan products and services.

Our main efforts are focused on providing clients with small and medium credit services, competitive interest rates, and affordable loan terms aimed to satisfy the customers in using our loan services in effective and sustainable. Our management team is qualified with expertise, knowledge, and years of experience in the financial sector, including a solid funding source that can ensure the growth, stability, and sustainability of LBP Microfinance.

Furthermore, we invest in an automated Loans Management System that can ensure the corporate and consumer information's security and also performs an important role in managing data, reporting, and encouraging rapid and reliable customer services. In addition, we have also partnered with WING (Cambodia) Limited Specialized Bank, TrueMoney (Cambodia) Limited, and Viettel (Cambodia) PTE (eMoney) which allows all LBP Microfinance's customers to be able to make their repayments either via mobile phones or agents of the three companies anywhere in Cambodia, which simplifies and minimize the customers' risk in carrying the money to LBP Microfinance's office.



Mr. MUONG SAMBATH

Chief Executive Officer

Although in 2024 the spread of the COVID-19 virus has been reduced almost completely by the use of vaccines, compared to 2023, we see that it continues to affect the economy and financial sectors. With the continued impact of a global supply chain, issue of the war in Europe and the war in the Middle East has led to rising oil prices, food prices, and global inflation. Like other countries, in 2024, Cambodia will still be affected of the war in Europe, and the war in the Middle East, which has slowed economic growth in many sectors. At the same time, there will be fear in the lives of people around the world, as well as negatively affecting global economic growth if the war is not finished soon.

Competition in the financial sector is based not only on service quality and price but also on the advancement of technology, which requires all banking and financial institutions to strengthen and invest in technology. According to the actual needs of each.

Finally, we would like to express our deepest thanks to all our customers, shareholders, Board of Directors Management, Staff, and the Royal Government, especially to the National Bank of Cambodia for supporting us in 2024. We wish you and your family good health, happiness, and success in all your endeavors for the year 2025.

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ABOUT US



LBP PROFILE

LBP Microfinance Plc. is a public limited company that was established and funded by two local Cambodians, Neak Oknha Lay Bun Pa and Lok Chumteav Oknha Lay Chhun Ny. LBP Microfinance Plc. formally received its operating license from the National Bank of Cambodia on the 31st August 2016.

LBP Microfinance Plc. is a private institution that provides financial services to Cambodian entrepreneurs and SMEs with a competitive interest rate and flexible loan terms to ensure the best deal to its customers. Furthermore it aims to improve the living standard of Cambodia in a sustainable manner.

OUR VISION

Contribute and support the Government of Cambodia objective of reducing poverty and empowering entrepreneurs to achieve their full potential through financial services that is transparent, responsible sustainable and high excellences.

OUR MISSION

- To provide financial service to the citizens of Cambodia and aspiring entrepreneurs via sustainable loan rates with excellent quality of services in a responsible manner.
- To provide effective and efficient financial services to individuals and corporations.

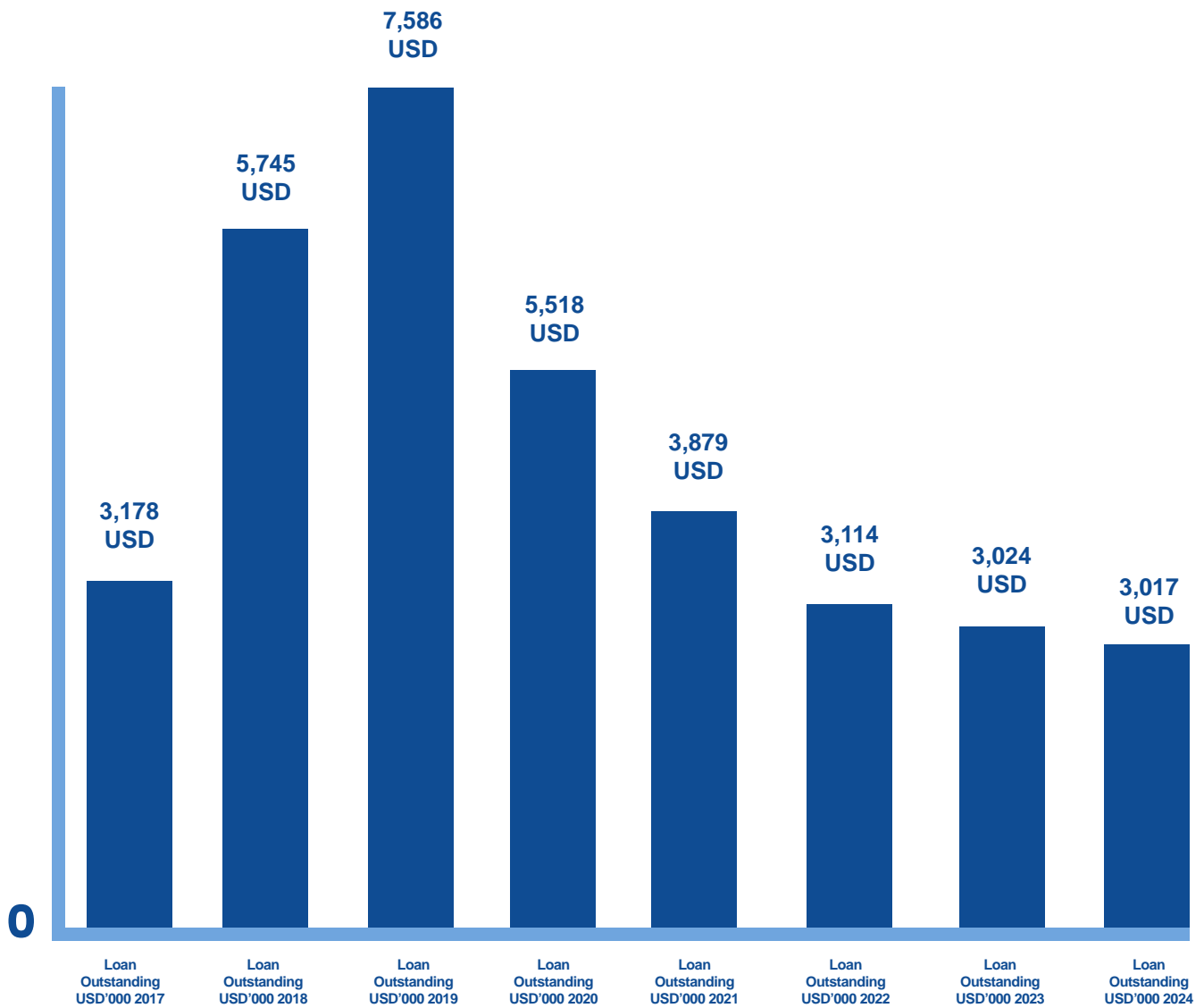
OUR CORE VALUE

- **Honesty:** We are committed to providing our customers, products and services with integrity, honesty, and the highest level of ethics.
- **Responsibility:** We are committed to providing products and services with total professionalism and responsibility that fits our customers every needs and demands.
- **Respect:** We consider our customers, staffs and all related parties as assets of our company. They deserve our full valued attention and respect with no room for discrimination.
- **Priority:** We are committed to providing the best service that go above and beyond our customer needs. Our customers are our greatest priority.



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OUR RESULT

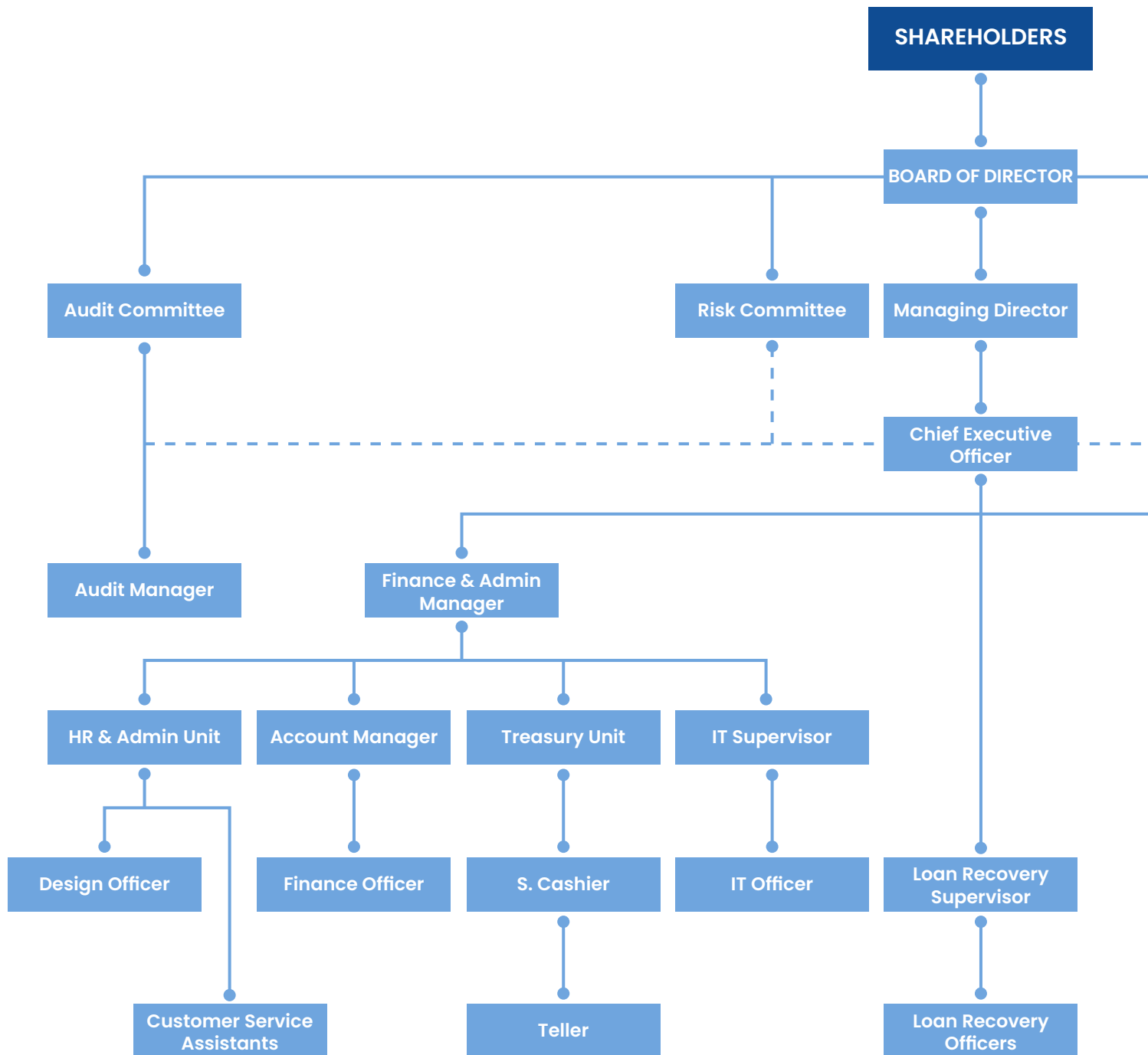


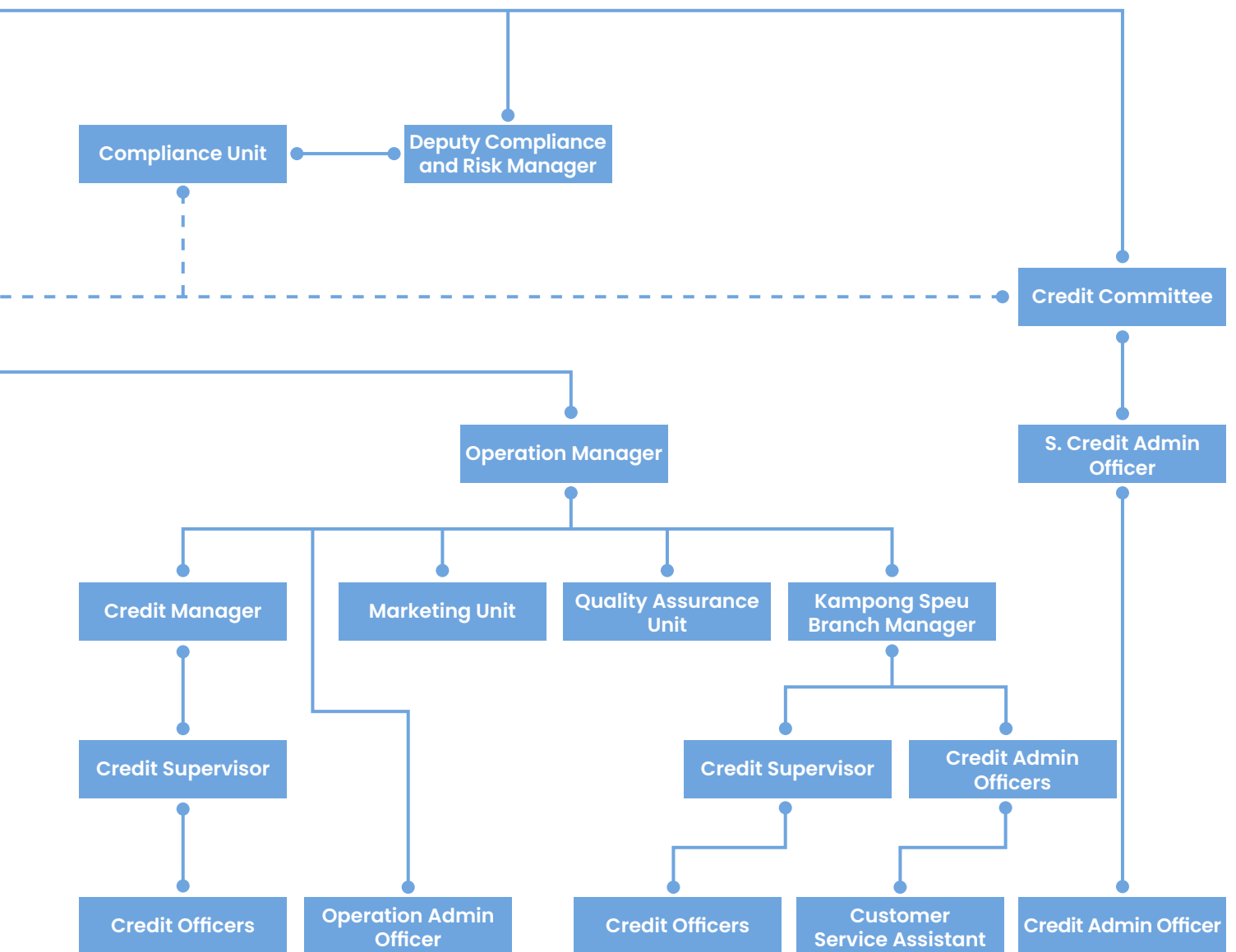
As of 31st December 2024

Loan Types	Outstanding USD'000	Number of Cients	Gender	
			Female	Male
KHR	329	70	31	39
USD	2.688	469	266	203
Total	3.017	539	297	242

4. Corporate Governance

L B P Organizational Structure





SHAREHOLDERS AND BOARD OF DIRECTOR



Neak Oknha LAY BUN PA
Chairman and Shareholder



Lok Chumteav Oknha LAY CHHUN NY
Board member and shareholder



Oknha LAY BUNNAVATH
Board member and
Managing Director



Oknha LAY MONIKA
Board member



Oknha LAY DINA
Board member



Mr. BOU ROS
Independent board member



Mr. MUONG SAMBATH
Board member and
Chief Executive Officer

MANAGEMENT TEAM



Oknha LAY BUNNAVATH

Managing Director

Mr. Bunnavath represents the Chairman of the board in LBP Microfinance. He has a master degree in finance from England and has many years of experiences in general managing.



Mr. MOUNG SAMBATH

Chief Executive Officer

Mr. Sambath finish banking specialist at National bank of Cambodia School and has almost 41 years experiences in banking and finance sectors, working with NBC, private banks and microfinance institutions. He is also involved in establishing LBP Microfinance in 2015 as well.



Mrs. SIN SINY

Finance and Administration Manager

Mrs. Siny finished bachelor degree in accounting. She has over 16 years of experiences in accounting and finance field. She joined LBP Microfinance in 2022.



Mr. KHEA SOKEA

Operation Manager

Mr. Sokea has over 16 years experience in banking and joined with LBP Microfinance in 2022. He finished Master Degree in Business Administration.



Mr. DIM SAVET

Internal Audit Manager

Mr. Savet has over 9 years of experience in internal auditor and joined LBP Microfinance in 2019. He finished bachelor in finance and banking and Master's Degree in business management.



Mrs. PHON MALEAT

Accountant Manager

Mrs. Maleat finished master degree of Finance . She has over 11 years of experience in Internal Audit & Accounting field. She join with LBP microfinance in January 2023.



Mr. YIN SANTEPHEAP

Credit Manager

Mr. Santepheap has over 16 years of experiences in credit sector and joined LBP Microfinance in 2016. He finished bachelor in Economic Development and master Administration.



Mr. SORNG SELA

Deputy Compliance and Risk Manager

Mr. Sela, Finished Bachelor Degree in LAW and Master's Degree in LAW specializing in Public Administration. He has many year of experiences in Legal and Compliance, Sector Financial and joined LBP Microfinance in 2020.

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INDEPENDENT AUDITOR'S REPORT



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF L B P MICROFINANCE PLC.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of L B P MICROFINANCE PLC. (“the Company”) which comprise the statement of financial position of the Company as at 31 December 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 6 to 45.

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

Basis of Opinion

We conducted our audit in accordance with Cambodian International Standards on Auditing (“CISA”). Our responsibilities under those standards are further described in the Auditors’ 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 and Other Ethical Responsibilities

We are independent of the Company 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 IESBA Code.

Information Other than the Financial Statements and Auditors’ Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors’ Report, but does not include the financial statements of the Company and our auditors’ report thereon

Our opinion on the financial statements of the Company does not cover the Directors’ Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors’ Report and, in doing so, consider whether the Directors’ Report is materially inconsistent with the financial statements of the Company 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 the Directors’ Report, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF L B P MICROFINANCE PLC. (CONT'D)

Responsibilities of Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with CIFRS for SMEs and guidelines of the National Bank of Cambodia. The directors are also responsible for such internal controls as the directors determine 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 of the Company, the directors are 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 the directors either intends to liquidate the Company or to ceases operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 CISA 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 a part of an audit in accordance with CISA, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:-

- identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' 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 auditors' report to the related disclosures in the financial statements of the Company 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF L B P MICROFINANCE PLC. (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

- evaluate the overall presentation, structure, and content of the financial statements of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements denominated in the functional currency of United States Dollar ("USD"). The translation of the financial statements from USD into Khmer Riel ("KHR") using the closing and average rates as at 31 December 2024 and for the year then ended, respectively, is presented for the purpose of additional analysis and it does not form an integral part of the audited financial statements. The translation has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express any opinion on it.

Crowe (KH) Co., Ltd.



Onn Kien Hoe
Director

Date: 28 March 2025

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Note	2024		2023	
		USD	KHR'000	USD	KHR'000
ASSETS					
Cash on hand	5	31,235	125,721	41,470	169,405
Deposits and placement with banks	6	23,227	93,489	57,855	236,338
Loans and advances to customers	7	2,820,021	11,350,585	2,776,770	11,343,105
Other assets	8	143,060	575,816	153,716	627,930
Tax receivables	8	41,090	165,387	35,397	144,597
Statutory deposit with					
National Bank of Cambodia	9	125,000	503,125	125,000	510,625
Property and equipment	10	18,050	72,651	30,076	122,860
TOTAL ASSETS		3,201,683	12,886,774	3,220,284	13,154,860
LIABILITIES AND EQUITY					
LIABILITIES					
Borrowings	11	905,865	3,646,107	882,228	3,603,902
Deferred tax liabilities	20	-	-	15,816	64,608
Other liabilities	12	25,883	104,179	24,284	99,200
TOTAL LIABILITIES		931,748	3,750,286	922,328	3,767,710
EQUITY					
Share capital	13	2,500,000	10,000,000	2,500,000	10,000,000
Accumulated losses		(392,870)	(1,602,541)	(331,386)	(1,352,239)
Regulatory reserve	14	162,805	665,008	129,342	528,780
Translation reserve		-	74,021	-	210,609
TOTAL EQUITY		2,269,935	9,136,488	2,297,956	9,387,150
TOTAL LIABILITIES AND EQUITY		3,201,683	12,886,774	3,220,284	13,154,860

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024		2023	
		USD	KHR'000	USD	KHR'000
Interest income	15	458,804	1,867,791	438,399	1,801,820
Interest expense	16	(69,531)	(283,061)	(69,895)	(287,268)
Gross profit		389,273	1,584,730	368,504	1,514,552
Other income	17	84,673	344,704	72,695	298,776
Personnel costs	18	(377,762)	(1,537,869)	(385,807)	(1,585,667)
Depreciation and amortisaion	19	(13,985)	(56,933)	(13,936)	(57,277)
Other operating expenses		(181,581)	(739,217)	(201,660)	(828,822)
Loss from operations		(99,382)	(404,585)	(160,204)	(658,438)
Impairment allowance on					
- Loans and advances	7	55,545	226,124	126,928	521,674
Loss before tax		(43,837)	(178,461)	(33,276)	(136,764)
Income tax expense	20	15,816	64,387	(18,343)	(75,390)
Loss after tax for the year		(28,021)	(114,074)	(51,619)	(212,154)
Other comprehensive income		-	-	-	-
Total comprehensive expense for the year		(28,021)	(114,074)	(51,619)	(212,154)

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Share Capital USD	Regulatory reserve USD	Accumulated losses USD	Total
At 1.1.2023	2,500,000	49,581	(200,006)	2,349,575
Loss after tax	-	-	(51,619)	(51,619)
Transfer	-	79,761	(79,761)	-
At 31.12.2023/1.1.2024	2,500,000	129,342	(331,386)	2,297,956
Loss after tax for the year	-	-	(28,021)	(28,021)
Transfer	-	33,463	(33,463)	-
At 31.12.2024	2,500,000	162,805	(392,870)	2,269,935

	Share Capital KHR'000	Regulatory reserve KHR'000	Accumulated losses KHR'000	Translation Reserve KHR'000	Total KHR'000
At 1.1.2023	10,000,000	200,962	(812,267)	284,505	9,673,200
Loss after tax	-	-	(212,154)	-	(212,154)
Transfer	-	327,818	(327,818)	-	-
Translation differences	-	-	-	(73,896)	(73,896)
At 31.12.2023/1.1.2024	10,000,000	528,780	(1,352,239)	210,609	9,387,150
Loss after tax for the year	-	-	(114,074)	-	(114,074)
Transfer	-	136,228	(136,228)	-	-
Translation differences	-	-	-	(136,588)	(136,588)
At 31.12.2024	10,000,000	665,008	(1,602,541)	74,021	9,136,488

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024		2023	
		USD	KHR'000	USD	KHR'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Loss before tax		(43,837)	(178,461)	(33,276)	(136,764)
Adjustments for :-					
Interest income	15	(458,804)	(1,867,791)	(438,399)	(1,801,820)
Funds recovered from loans written off	17	(63,592)	(258,883)	(78,849)	(324,069)
Depreciation and amortisation	19	13,985	56,933	13,936	57,277
Loss on written off on financial assets		-	-	42,128	173,146
Interest expense	16	69,531	283,061	69,895	287,268
Unrealised foreign exchange (gain)/loss		(5,173)	(21,059)	(2,554)	(10,497)
Impairment allowances on					
- loans and advances	7	(55,545)	(226,124)	(126,928)	(521,674)
Operating loss before working capital changes		(543,435)	(2,212,324)	(554,047)	(2,277,133)
Working capital changes:					
- Loans and advance to customers		97,561	392,683	141,708	582,420
- Other assets		10,655	42,886	16,167	66,446
- Other liabilities		(3,637)	(14,639)	(4,031)	(16,567)
Cash used in from operations		(438,856)	(1,791,394)	(400,203)	(1,644,834)
Income tax paid		(5,693)	(23,176)	(5,704)	(23,443)
Interest income received		373,537	1,520,669	347,311	1,427,448
Funds recovered from loans written off		63,592	258,883	78,849	324,071
Interest expense paid		(64,258)	(261,594)	(64,759)	(266,159)
NET CASH FLOWS FOR OPERATION ACTIVITIES		(71,678)	(296,612)	(44,506)	(182,917)
CASH FLOWS FOR INVESTING ACTIVITIES					
Purchases of property and equipment	9	(1,958)	(7,881)	(2,379)	(9,778)
NET CASH FOR INVESTING ACTIVITIES		(1,958)	(7,881)	(2,379)	(9,778)

STATEMENT OF CASH FLOWS (CONT'D)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024		2023	
		USD	KHR'000	USD	KHR'000
CASH FLOWS FOR FINANCING ACTIVITIES					
Proceeds from borrowings	11	28,773	115,811	30,000	123,300
NET CASH FOR FINANCING ACTIVITIES		28,773	115,811	30,000	123,300
NET DECREASE IN CASH AND CASH EQUIVALENTS		(44,863)	(188,682)	(16,885)	(69,395)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		99,325	405,743	116,211	478,441
TRANSLATION DIFFERENCE		-	2,149	-	(3,299)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR		54,462	219,210	99,326	405,747

Cash and cash equivalents comprise :-

	Note	2024		2023	
		USD	KHR'000	USD	KHR'000
Cash on hand	5	31,235	125,721	41,470	169,405
Deposits and placement with banks	6	23,227	93,489	57,855	236,338
Total		54,462	219,210	99,325	405,743

THANK YOU

