

Annual Report  
**2023**



# Map of Business Operation Areas



## Head Office & Branch

- 📍 #795, Preah Monivong Blvd, Sangkat Boeng Trabaek, Khan Chamkar Mon, Phnom Penh, Cambodia.
- ☎ (855) 23 224 333 / (855) 70 312 333



## Pur Senchey Branch

- 📍 #78Kor, National Road 4, Prey Svay Village, Sangkat Chaom Chau 3, Khan Pur Senchey, Phnom Penh, Cambodia. ☎ (855) 70 316 333



## Praek Pnov Branch

- 📍 #18A-18B, National Road 5, Phum Duong, Sangkat Praek Pnov, Khan Praek Pnov, Phnom Penh. ☎ (855) 70 357 333



## Krong Chbar Mon Branch

- 📍 National Road 4, Village Krang Pul Tep, Sangkat Roka Thom, Krong Chbar Mon, Kampong Speu Province, Cambodia. ☎ (855) 70 314 333



## Krong Doun Kaev Branch

- 📍 Phum Khsoeng, Sangkat Roka Knong, Krong Doun Kaev, Takeo Province, Cambodia. ☎ (855) 70 964 333

## Takeo Branch



Scan here to find Branches' Location



For more information please contact the number :



070 357 333 / 070 312 333

## Chairman's Statements



**Mr. CHREUK Phally**  
Chairman of Board of Directors

In the current situation, we can see that the World Economy in 2023 has growled less than expected from the previous year after going through a series of obstacles of the COVID crisis, continued to increasing interest rates to reduce inflation, the contraction of fiscal political space, increased risks of geopolitical divisions, real estate crises, and weak domestic demand that has burdened global trade, consumption, and investment. According to the International Monetary Fund, the global economic growth for 2023 is expected to reach 3%, of which developing countries will grow by 1.5%, emerging and developing countries by 4% and ASEAN economies by 4.4%. And according to the annual report 2023 by the National Bank of Cambodia, the global economic crisis has also put pressure on Cambodia's economy, especially garment exports and growth in the construction and real estate sectors. However, the recovery of the tourism sector, the growth of non-garment exports and the growth of domestic demand have contributed to supporting the Cambodian economy to grow at a rate of 5.5% in 2023, higher than in 2022 (5.3 %). This is expected to increase investment in infrastructure and the benefits of regional trade agreements of the World Bank in mid-2023. The achievement of this growth is due to the indispensable support for political stability, which is the foundation of trust and sustainable development, which the new government has put in place to implement the first phase of the Pentagon strategy, which has clear goals and objectives with long-term vision for economic and social development, focusing on the five key priorities: people, roads, water, electricity and technology.

On Cambodia's banking and microfinance sectors remains strong confindentaility during the 2023 election year and the banking system in some countries being hit by the collapse of commercial banks. And in each region or country, there may be an increase in debt and credit risk on the real estate sector. The slowdown in credit growth, coupled with the completion of restructuring during the Covid crisis, has led to an increase in non-performing loans, which requires banks and financial institutions to continue to increase monitoring, evaluation and statistics on potential risks. At the end of 2023, the total assets of banking and financial institutions increased by 8.6% to 346.7 trillion riels (equivalent to 84.3 billion US dollars), of which the banking sector accounted for 91.8%,



microfinance sector accounted for 7.6%, and the financial leasing sector for 0.6%, with a total of 18.9 million customer deposit accounts and 3.9 million consumer loan accounts. According to the annual report 2023 of the National Bank of Cambodia, there are 58 Commercial Banks, 9 Specialized Banks, 4 Deposit-taking Microfinance Institutions, 83 Microfinance Institutions, 114 Rural Credit Institutions, and 16 Leasing Institutions, 6 Third Party Processors, 33 Payment Service Providers, 1 Credit Bureau Cambodia, 5 Foreign Banks representative office, and 2,915 Money Changers. At this point, we can see that although the impact of the crisis, the banking and microfinance system remains stable and resilient, with continued investment from both local and foreign investors in the sector in Cambodia that the microfinance sector in Cambodia has been playing an important role in contributing to the promotion of sustainable finance, participation in environmental protection and the development of green economy and society, especially the reduction of rural poverty.

Due to the impact of the global COVID pandemic and prolonged the Russia-Ukraine war, which has had some impact on the banking and financial sector, **FUTABA** Microfinance Plc, still strongly new created a branch as Krong Doun Kaev Branch in Takeo Province, which received permission and license from the National Bank of Cambodia on February 07th, 2023 according to its long-term strategy plan, and at the end of 2023, **FUTABA** Microfinance Plc, also changed its structure at the management level by appointing a new Chief Executive Officer as Cambodian, to continue to lead, manage and implement the work more effectively. Despite this difficult situation, in 2023, **FUTABA** Microfinance Plc., was still able to maintain our profit of 260,464 US dollars with its total assets of 15,580,862 US dollars. This result shows the commitment and cooperation of managements, all staffs, and especially the credit team, which has made efforts to manage and resolve customer late in a timely manner.

On behalf of the Board of Directors, I would like to thank to our customers and our Japanese Shareholder, Chief Executive Officer, Assistant Chief Executive Officers, and all staffs of **FUTABA** Microfinance Plc., for much contribution, work hard, and support to implement and achieve of business strategic of the Company. Especially, thank to NBC and corporate partners for always providing support and coordination with our MFI in managing all activities with transparency up to now and in the future.

On behalf of the Board of Directors, I would like to thank to our customers and our Japanese Shareholder for their continued commitment to using the **FUTABA's** services and products to contribute to the development of the next generation of business and human resources, as well as to the Chief Executive Officer, Deputy CEO and all staffs of **FUTABA** Microfinance Plc., for much contribution, work hard, and support to implement and achieve of business strategic of the institution. In particular, I would like to express my deepest gratitude to the National Bank of Cambodia and its partners for their continued cooperation, support and recommendations to our institution to manage all activities in a transparent and efficient manner up to now and in the future.

At the end, we would like to blessing you and your family have good luck, good healthy with happiness, wisdom, and successful all the businesses forever.



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Mr. CHREUK Phally  
Chairman of Board of Directors

## CEO's Messages



**Mr. UM Piseth**  
Chief Executive Officer

Dear valuable Customers and Business Partners,

Please be informed **FUTABA** Microfinance Plc., was first licensed to establish and operate its financing service activities by the National Bank of Cambodia on December 16, 2015. With its fulfillment of good business performances achieved, strong management by which the activities of directing, controlling, and organizing the company followed by laws and regulations as well as clear vision with effective long-term Strategic Business Plan, the National Bank of Cambodia has decided and officially issued the Permanent License as Microfinance in lieu of the given Three Year-License for **FUTABA** Microfinance Plc., since December 30, 2019. And during 2023, **FUTABA** Microfinance Plc, strives to create a new branch as Krong Doun Kaev Branch in Takeo Province, which received a legal license from the National Bank of Cambodia on February 07th, 2023.

The global economic situation in the region and the Cambodian economy has not yet improved, and we can see that the situation of the banking sector, microfinance institutions and leasing institutions, as well as **FUTABA** Microfinance Plc., during 2023, there are also some challenges, especially on credit quality management, which loan late has increased significantly, as of December 31st, 2023, the **FUTABA** has been operating for nearly 8 years with a totally of 92 staffs, 28 females and 64 males working at the Head Quarter (including Head Office Branch), Khan Praek Pnov Branch, Khan Pur Senchey Branch, Krong Chbar Mon Branch (Kampong Speu province), and Krong Doun Kaev Branch (Takeo province) with a total of 883 clients and total loan portfolio of 14,383,076 US dollars under the management of 26 Credit Officers. As a result, **FUTABA** Microfinance Plc., has a high Portfolio at Risk of 15.96% and written-off loan of 0.06%. However, **FUTABA** Microfinance Plc., could still keep its profit at the end of 2023 in 260,464 US dollars with total assets of 15,580,862 US dollars.

Although **FUTABA** Microfinance Plc., has not yet rapidly expanded many branches within the whole country, our Vision is to become one amongst the premier leading Financing Institutions in the Kingdom of Cambodia to contribute to the sustainable Society Development and Stable Economic Growth for both current & Next

Generation throughout stabilizing and transparency of Financing Markets and Long-Term Strategic Business Plan for expanding operational areas in other provinces, which is our sincere wishing as well as our goal.

**FUTABA** Microfinance Plc., is going to develop various kinds of services for solving financial requirement for our existing and future customers. To satisfy our customers' need, **FUTABA** Microfinance Plc., has developed various kinds of Financial Product such as Business Loan, Agricultural Loan, Housing Loan, Consumption Loan, Staff loan, Education Loan, and Employee Loan. The Staff Loan and Education Loan are offered with a very low Interest Rate with the best service, for contributing in social enhancement, staff living conditions, and human resources development.

At the meant time in during 2023, **FUTABA** Microfinance Plc., is also strengthening its Internal Controlling System and structural reform in management level to enhance operational process focused on Skill Training to staffs, and to update Policies & Procedures for fully complying with Laws & regulations of National Bank of Cambodia and relevant government institutions.

With a better World Economic situation and Cambodia's banking and microfinance system continues to be strong, which brought Cambodia's domestic economic activities to return back to be normal and businesses operating better in the near future. Last but not least, we do believe that our institution will continue to operate effectively and will be the PATHWAY for Cambodian Next Generation, which should be materialized based on our Fair and Transparency of Financial Services, funded by a single Shareholder from Japan, which we can manage skillfully and make decisions quickly to meet customer needs.

"Dreams Come True", we are pleased and welcome to provide our warmed and confident financial services to our esteemed customer everywhere every time.

Finally, on behalf of **FUTABA** Management, I would like to thank to our Customers, Shareholder, Board of Directors, Deputy CEO, and all staffs for their supporting and effort making in role and responsibility to implementing the **FUTABA**'s strategies, as well as the National Bank of Cambodia for always collaborating and supporting us so far.

Dreams Come True!



Mr. UM Piseth  
Chief Executive Officer

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# Performance Highlights

- Financial Highlights
- Operational Highlights
- Human Resource Highlights



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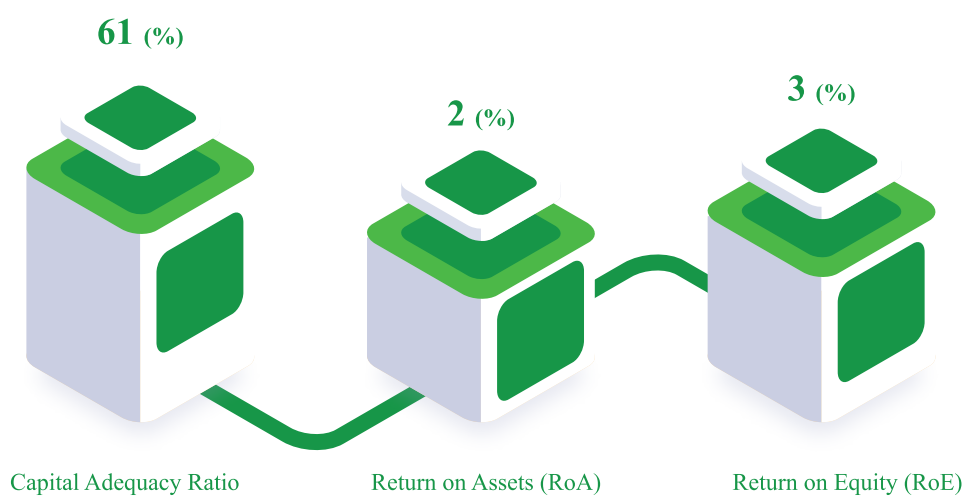
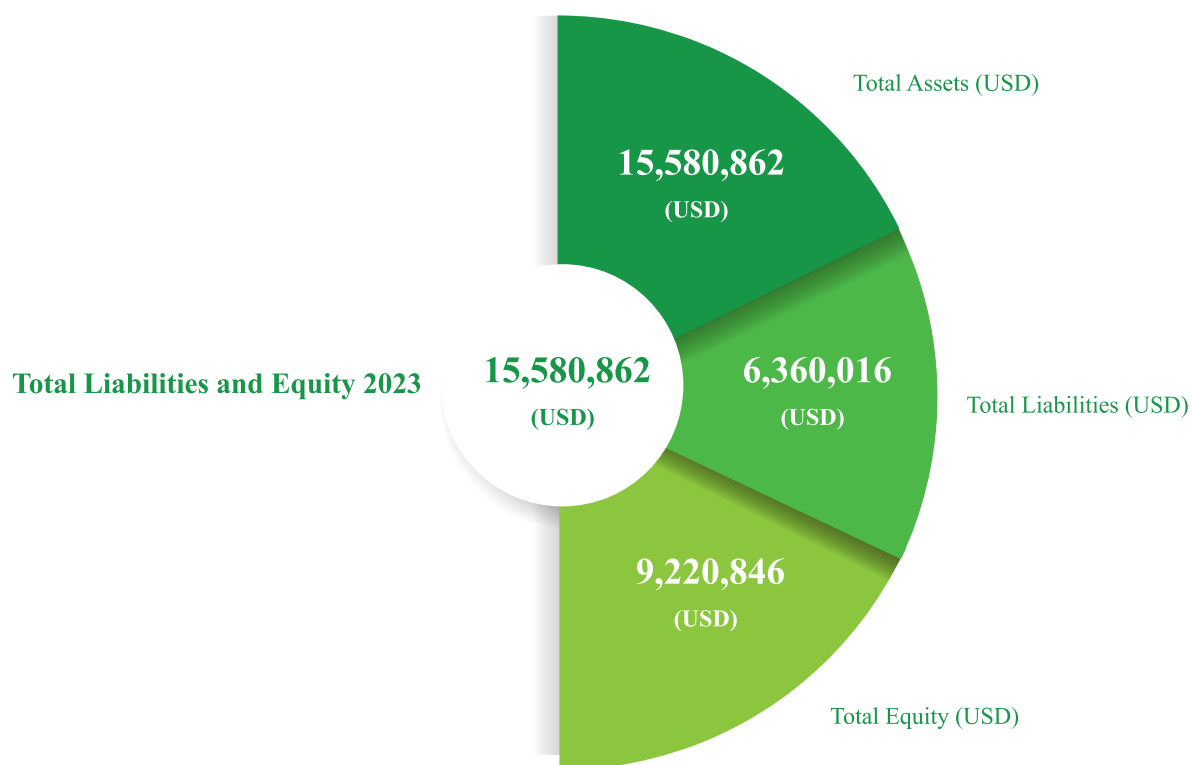


# Financial Highlights

Statement of Financial Position (USD)	2023	2022	2021
<b>Assets</b>			
Cash and Cash in Bank	845,193	2,170,557	1,687,087
Net Loan Portfolio	14,383,076	13,295,920	13,387,534
Property and Equipment (Net)	179,197	98,381	84,064
Other Assets	173,396	178,922	172,411
<b>Total Assets</b>	<b>15,580,862</b>	<b>15,743,780</b>	<b>15,331,096</b>
<b>Liabilities</b>			
Other Liabilities and Provision	1,712,834	1,636,216	1,661,847
Long and Short Term Borrowings	4,647,182	5,147,182	5,158,293
<b>Total Liabilities</b>	<b>6,360,016</b>	<b>6,783,398</b>	<b>6,820,140</b>
<b>Equity</b>			
Share Capital	7,000,000	7,000,000	7,000,000
Regulatory Reserves	824,413	798,749	474,252
Retained Earnings	1,396,433	1,161,633	1,036,704
<b>Total Equity</b>	<b>9,220,846</b>	<b>8,960,382</b>	<b>8,510,956</b>
<b>Total Liabilities and Equity</b>	<b>15,580,862</b>	<b>15,743,780</b>	<b>15,331,096</b>

Statement of Comprehensive Income (USD)	2023	2022	2021
Interest Fee and Other Incomes	1,884,029	1,954,031	1,763,366
Operation Expenses	1,623,565	1,504,605	1,304,694
<b>Profit After Tax</b>	<b>260,464</b>	<b>449,426</b>	<b>458,672</b>

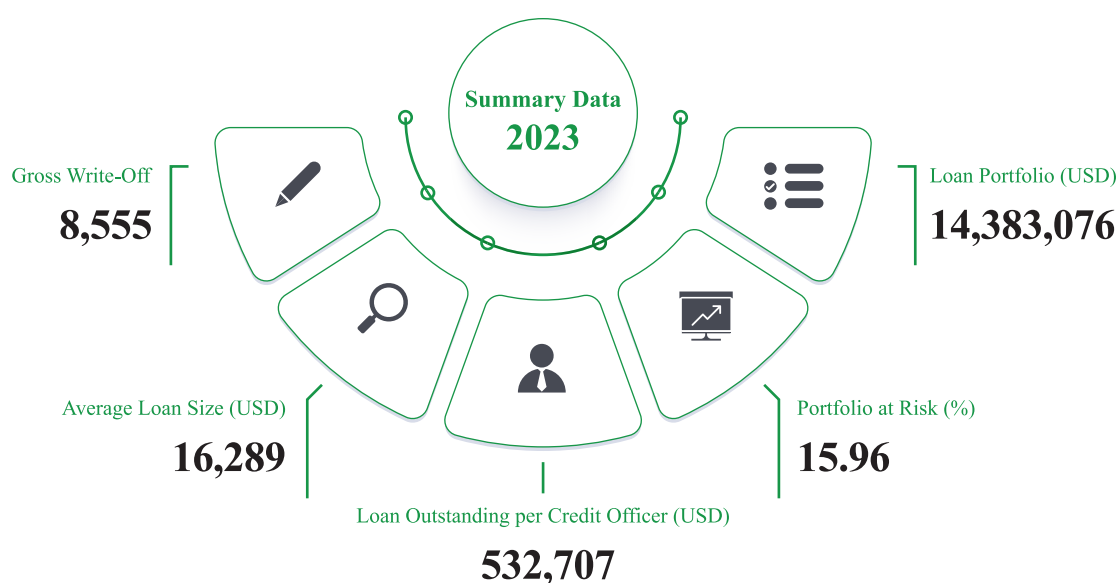
Key Financial Highlights (USD)	2023	2022	2021
Capital Adequacy Ratio	61%	59%	57%
Return on Assets (RoA)	2%	3%	3%
Return on Equity (RoE)	3%	5%	5%





# Operational Highlights

Statement of Financial Position (USD)	2023	2022	2021
Number of Branches	5	4	4
Number of Provinces	10	10	10
Number of Districts	50	44	36
Number of Communes	177	155	148
Number of Villages	447	378	348
Total Staff	92	90	83
Number of Credit Officers	27	26	21
Credit Officers over Total Staff (%)	29%	29%	25%
Number of Borrowers	803	707	678
Number of Active Borrowers	883	789	751
Number of Active Borrowers per Credit Officer	33	30	36
Loan Portfolio (in USD)	14,383,076	13,295,920	13,387,534
Loan Outstanding per Credit Officer (in USD)	532,707	511,382	637,502
Loan Outstanding per Staff (in USD)	156,338	147,732	161,296
Average Loan Size (in USD)	16,289	16,852	17,826
Portfolio at Risk (PAR%)	15.96%	12.62%	7.28%
Gross Write-Off (in USD)	8,555	3,776	-



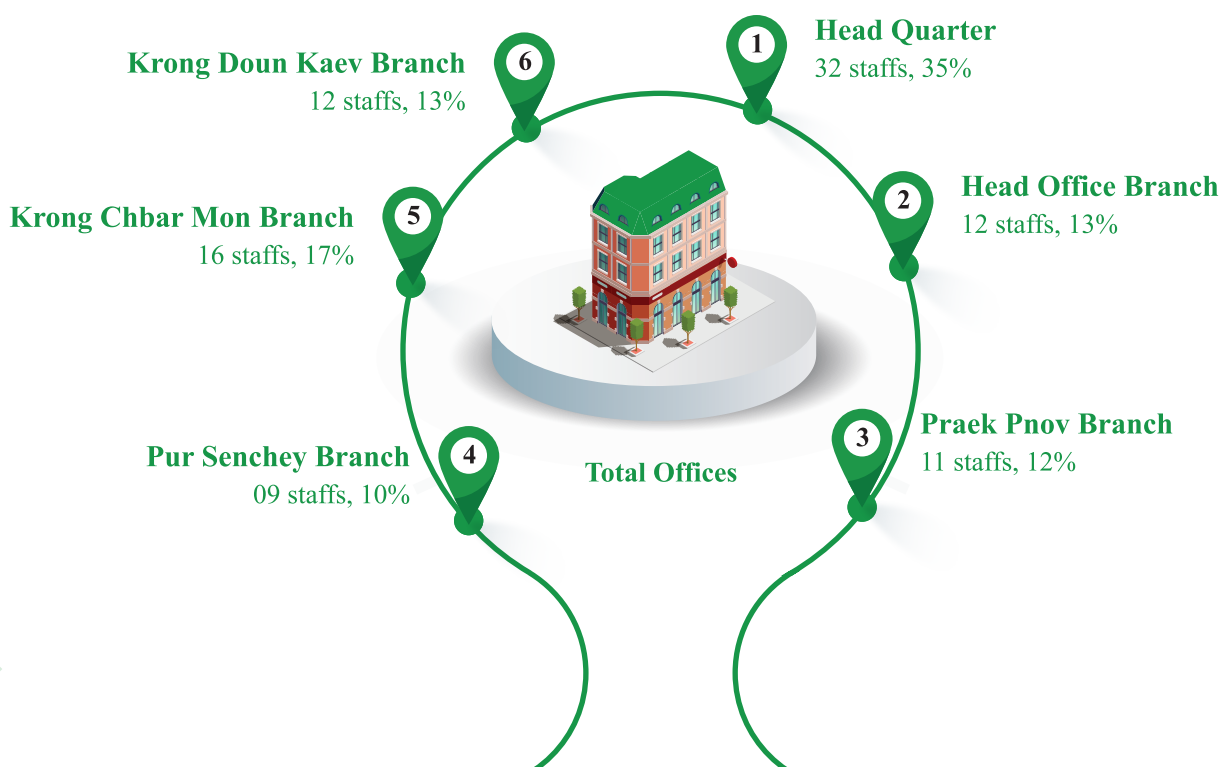
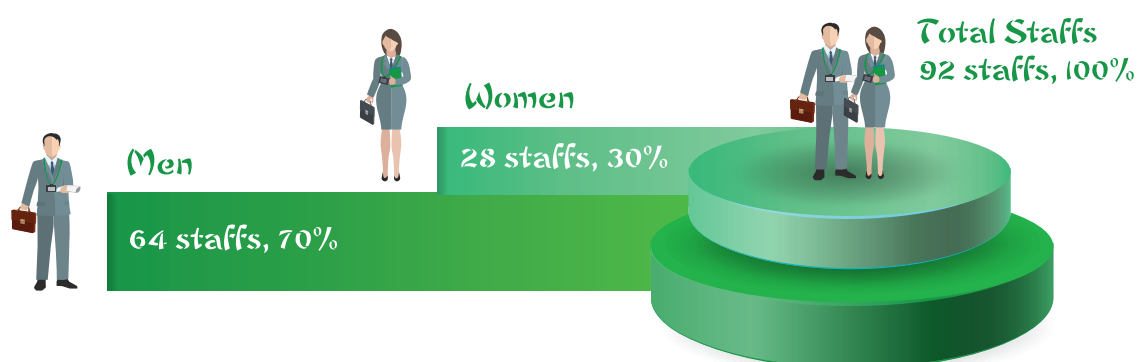
# Human Resource Highlights

The status of the Cambodian economy in 2023 has shown some signs of easing after the effects of the recent global crisis and continued to grow gradually. This gives hope for more success to business operators in all sectors, including the financial sector. The senior management of Futaba Microfinance Plc. Also took this opportunity to implement its business expansion plan and set up a new branch in Takeo province, licensed by the National Bank of Cambodia on February 07, 2023.

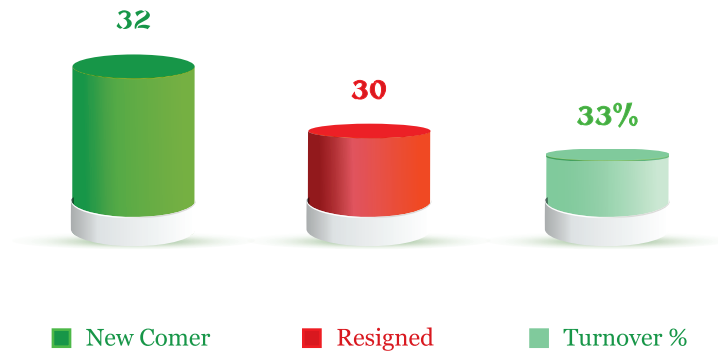
Based on the long-term business plan, potential human resources remain the main need for Futaba Microfinance Plc. to play a key role in achieving complete success in line with the shareholders' dreams. At the same time, Futaba's top management has provided support and encouragement to outstanding staff by awarding certificates and position promote. This has led to the fact that Futaba retains good human resources, continues to work warmly, and is able to recruit new staff more effectively in accordance with the actual plan.

As of December 31st, 2023, Futaba's staff statistics totaled 92 (64 men and 28 women), an increase of 2 compared to 2022.

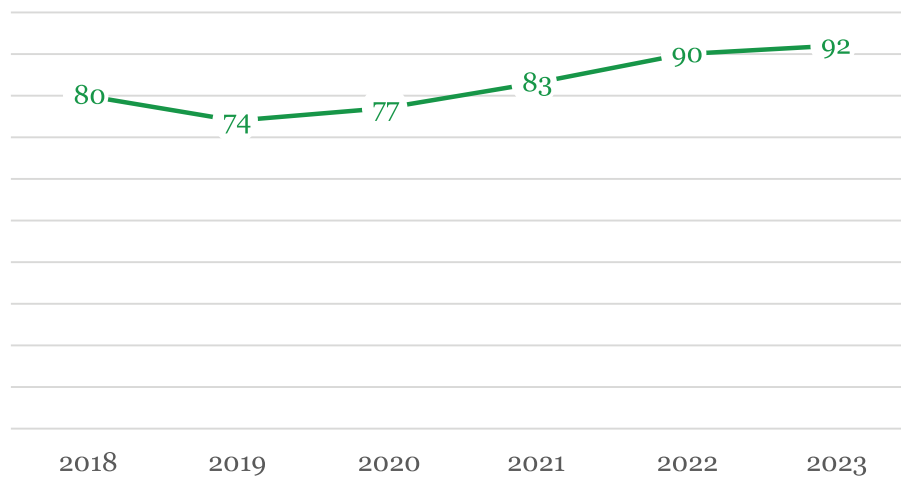
The following is a summary of Futaba staff:



### Year-Round Staff Changes (YTD 2023)



### Staff Growth from 2018 to 2023

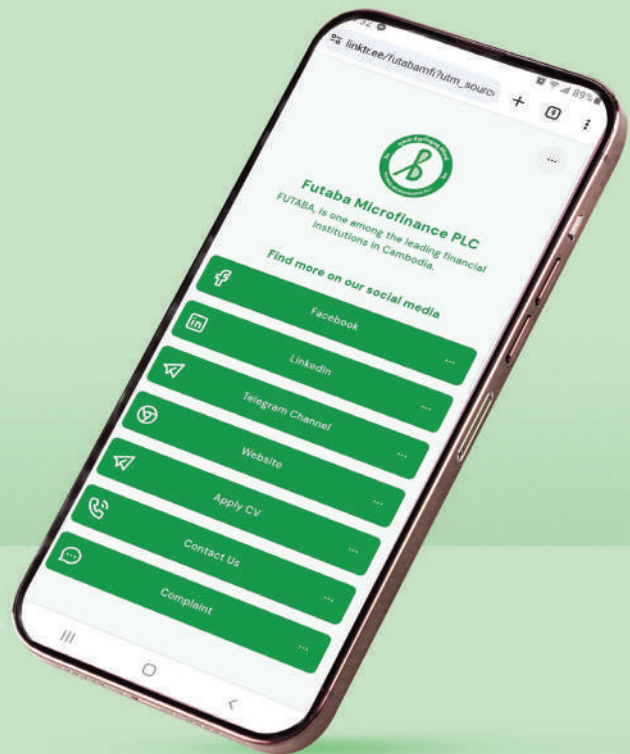


## About FUTABA

- Brief Overview of FUTABA
- History of FUTABA
- Vision Mission & Core Value
- Branding of FUTABA



Scan here for more information





## Brief Overview of FUTABA

**FUTABA** Microfinance Plc., started its operation in late 2015, which has received MFI license on Dec. 16, 2015 from the National Bank of Cambodia under its clearly mission and vision to become a leading microfinance institution in Cambodia. On October 22, 2018, the National Bank granted permission to extend the license to **FUTABA** for 3 years more. Later on, seeing the effectiveness of credit performance management and implementing on the shortcomings as the recommendation of inspection report of the National Bank of Cambodia, on December 30, 2019, the National Bank of Cambodia decided to grant a permanent business license to **FUTABA**. Since 2016, **AZUMA & Co., Ltd.** (Japanese company) has also become a shareholder holding a 100% shares in **FUTABA**.

As of December 31, 2023, **FUTABA** has a total of 92 staffs, 28 females and 64 males are working at Head Quarter and 05 branches including Head Office Branch, Khan Praek Pnov Branch, Khan Pur Senchey Branch, Krong Chbar Mon Branch, and Krong Doun Kaev Branch with 883 clients whose are receiving loan, and loan portfolio of \$14,383,076 under 26 Credit Officers, the overall result was a slight increasing on loan portfolio and number of client, but **FUTABA** still has continued its positive journey into the future. During the last 4 years from 2016 to 2019, we have maintained the Portfolio at Risk at 0.46% and Loan Written-Off at 0%, which is the good result on credit management in each year. In particular, from 2020 until now, there has been a series of increases in the Portfolio at Risk (PAR) up to 15.96% and Loan Written-Off in good rate at 0.06%, due to the impact of the spread of COVID virus, the war between Ukraine and Russia, the flood issue, and the global economic crisis. In this situation, **FUTABA** has been providing restructuring loans only for the impact of the spread of COVID virus to customers at 0.34% of the total customers and 0.62% of the total loan portfolio.

As for the financial statements situation, we see that **FUTABA** took over one year to realize its net profit since 2017, in case of significantly affected by many factors since 2019, however our net profit at the end of 2023 was \$260,464 with its total assets of \$15,580,862 which is a decrease from the previous year (2022) as a result of the financial situation is not yet good performance in this difficulty situation, but the institution continues to operate its business activities effectively and efforts to overcome obstacles, especially to prevent the increasing of loans late and timely loan resolving.

It is a part of supporting the education development and staff living conditions, **FUTABA** also provides the lowest interest rate on the Education Loan and Staff Loan, with the main goal of the Board of Directors and Shareholder in keeping with a long-term vision and positive perspective situation on the financial market progression in Cambodia, **FUTABA** will continue to perform its long-term strategic plan, master plan and annual plan to extend its potential coverage to a broadly market scope and responding to the growing demand for loans by local customers on our existing operation areas and the growth of a country current and in the future.

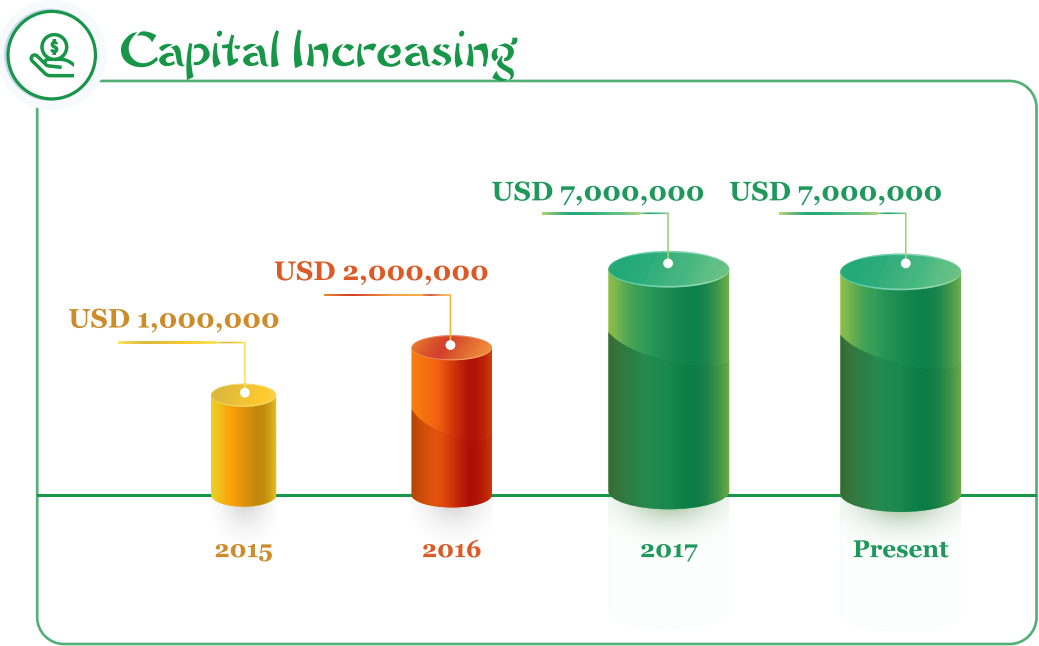
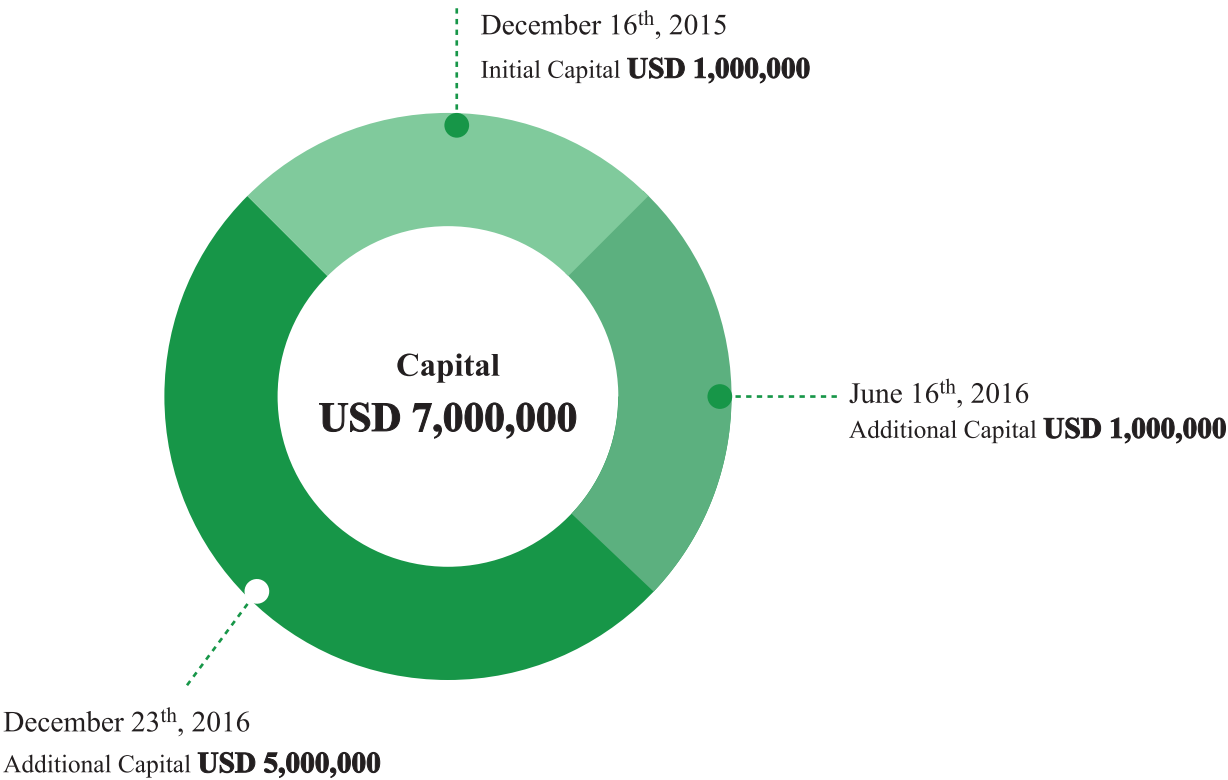
## History of FUTABA

**FUTABA** Microfinance Plc, has been established in the purposes and dreams of a shareholder. Throughout the initiatives, as well as a strong commitment, the shareholder has overcome all obstacles, and finally received the official business operating license from The National Bank of Cambodia, No M.F-64, issued on December 16, 2015.

At the beginning of 2016, **FUTABA** started its business operation with the only initial capital of USD 1,000,000. However, with the strong support from customers, it was showing that **FUTABA** got a great successful achievement. Meanwhile, since 2016, **AZUMA & Co., Ltd.**, has become a shareholder of **FUTABA** Microfinance Plc, **AZUMA & Co., Ltd.**, a Japanese Company, has parallel concept in supporting and improving living standard of Cambodian people, especially to contribute to developing new generations by providing highly effective financial service with quality, consistency, and transparency of the market.

With the long-term perspective and the expectation the positive progress of the financial market in Cambodia, **FUTABA** Microfinance Plc, will continue to implement its strategic plan in order to achieve the need and dream of the shareholder. Having seen its growing, **FUTABA** Microfinance Plc, launched 3 new branches more by the end of 2016 in order to strengthen and enhance its potential strength on a widely market, and to serve the growth of loan demand from the local area customers. The 3 branches were approved the official business operation license from the National Bank of Cambodia on September 20, 2016. In view of the positive implementation and management as well as the long-term strategic plan in the future, the National Bank of Cambodia granted permission to extend the license to **FUTABA** for 3 years more on October 22, 2018 and on December 30, 2019, the National Bank of Cambodia decided to grant a permanent business license to **FUTABA**. Despite the difficult situation affected by the COVID virus and the war between Ukraine and Russia, we see that in 2023, **FUTABA** had strived to expand its branch operations in Takeo province (Krong Doun Kaev Branch) in line with its long-term strategic plan. As of December 31, 2023, **FUTABA** has 8-years business operation, which is located serving with 05 offices such as Head Quarter (Head Office Branch), Khan Praek Pnov Branch, Khan Pur Senchey Branch, Krong Chbar Mon Branch (Kampong Speu Province), and Krong Doun Kaev Branch (Takeo Province). And at the end of 2023, **FUTABA** also changed its organizational structure at the management level, as changing the role of CEO and reorganizing in position from Assistant CEO to Deputy CEO.

In the meantime, **FUTABA** Microfinance Plc., was successful in subsequent capital injection as the following:



# Vision Mission & Core Value

## Vision & Mission



### Vision

To be a leading financial institution in Cambodia achieving great impact on improving living standard for current and new generations.



### Mission

To offer the most reliable Financing Services to Medium, Small and Micro - Enterprises and Individuals by creating sustainable market to support current and succeeding generation and social performance to achieve their goal with better life in the future.

## Core Values



**Integrity**



**Humanity**



**Future-Oriented**



**Challenge**




**Passion**



# Branding of FUTABA



## Symbol and Meaning

The Symbol  is referred to the small BUD which just came out from the ground.

This small BUD can grow up to the GIANT TREE in near future, based on our honest and hard works together with a kind back-up from the fair Supporters.

Namely, we, FUTABA Microfinance Plc., as a small Financing Institution, has just started our activity in the Financing Sector in the Kingdom of Cambodia. And we can grow up in near future to be a leading BANK in the Kingdom of Cambodia, to provide the Financing Services of a very high quality to the users in order to assure the steady and bright futures to all the users of FUTABA Microfinance Plc., / FUTABA Bank, as if the small BUD can grow up to the GIANT TREE in due course.

How fast we can grow up to the GIANT TREE totally depends on how hard each of the Members of FUTABA Microfinance Plc., will work with full sincerity, also depends on how big support could be provided to us from our beloved Customers.



## Color

Green Color in the BUD, refers to the respect we pay to the Environment, the Harmony among the Economic Growth and the Safe Environment for the Current and the Next Generation.



## Slogan

**Dreams Come True**

# Corporate Governance

- Shareholder and Capital
- Organization Chart
- Board of Directors
- Management Teams

## Education Loan

Currency : KHR & USD  
. Loan Size Up to : 2,000 USD  
. Loan Term Up To : 5 years



## Shareholder and Capital



**Mr. Yosuke SASAKI**  
Representing the Shareholder

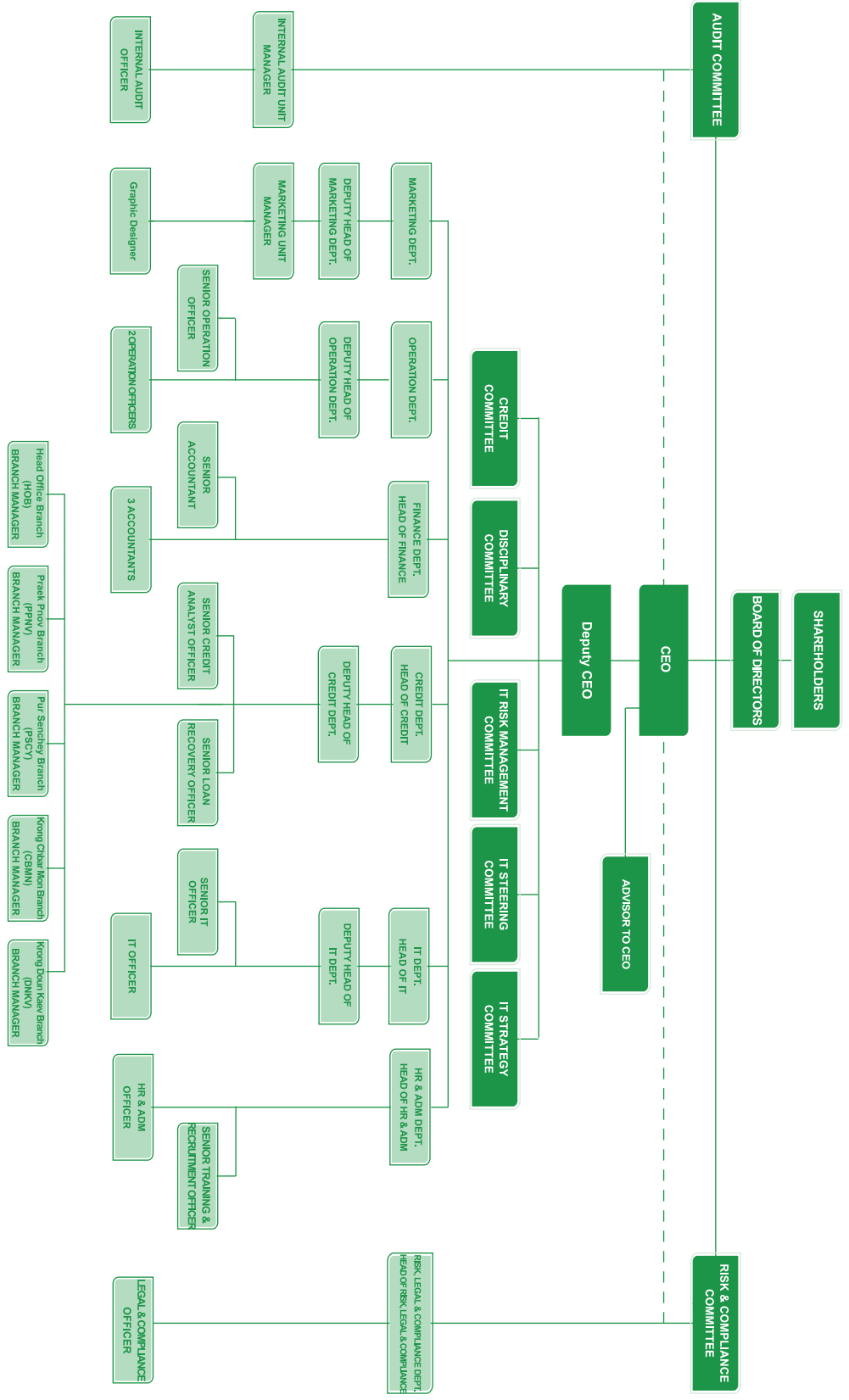
AZUMA & Co.,Ltd. as 100 percent Share- holder of FUTABA Microfinance Plc., hereby express our keen eagerness to contribute to the Eradication of the Poverty in our beloved Country, the Kingdom of Cambodia.

AZUMA & Co.,Ltd. as pure Japanese Enterprise are 100 percent owned by myself, Yosuke SASAKI, a Japanese citizen, who act as the President of AZUMA & Co.,Ltd.

It is a great honor for us AZUMA & Co.,Ltd. in case we could be a little bit of helping in supporting and bringing up the Next Generation, also in improving the Standard of Livings in our beloved Country, the Kingdom of Cambodia, based on our very Transparent, Effective and Long-lasting Financing Services through our FUTABA Microfinance Plc.,.



# Organizational Chart



## Board of Directors



**Mr. CHREUK Phally** / Chairman of Board of Director

Mr. CHREUK Phally, Cambodian, was born in 1981 in Phnom Penh. He has been appointed to be a Board Member of FUTABA Microfinance Plc., since July, 2015 and then he was appointed to be Chairman of Board of Directors on 22nd July, 2016 until now. He has more than 18 years of experience in the field of Management, 5 years of which he served as Marketing Manager at Futaba Co., Ltd. In 2007, he was promoted to General Manager, and serves in this capacity to-date. He obtained his Bachelor's Degree of Business Administration from Norton University.



**Mr. Yosuke SASAKI** / Board of Director

Mr. Yosuke SASAKI, Japanese, was born in 1983 in KANAGAWA. He was appointed to be a member of Board of Directors on 22nd July, 2016. Mr. Yosuke SASAKI is the 100% shareholder of **FUTABA** Microfinance Plc, who owns and represents as President of AZUMA & Co., Ltd in Japan. AZUMA & Co., Ltd is the Japanese Company which has the parallel concept to support standard living to Cambodian people, especially to contribute to develop new generation by providing financial service with high quality, stability, and transparency of market trend.



**Mr. Junichi SASAKI** / Board of Director



Mr. Junichi SASAKI, Japanese, was born in 1949 in KANAGAWA. He was appointed to be a member of Board of Directors on 18th August, 2017. Mr. Junichi SASAKI graduated from Tokyo University in 1975, and he is currently active as President and 100% shareholder of FutureBud International Co., Ltd, Japan.

**Mr. Hamada MOTOO** / Independent Board of Director



Mr. Hamada MOTOO, Japanese, was born in 1948 in KANAGAWA. He was appointed to be a board member as Independent Board of Director on 14th March, 2019. Mr. Hamada graduated of B.A. in Economics from Kobe University of Commerce (Kobe College of Economics) in 1970. He has more than 15 years of experience in overseas investments, 20 years for managing affiliated companies in overseas and 5 years for consulting and assisting overseas project of Small & Medium-sized companies.

**Mr. NGET Sovannaro** / Independent Board of Director



Mr. NGET Sovannaro, Cambodian, was born in 1959 in Takeo province, Cambodia. He was appointed to be a board member as Independent Board of Director on 14th March, 2019. Mr. Sovannaro graduated in Master in Agronomie from Moscow People's Friendship University of Scholarship Master Scholar awarded by Russia Government in 1987. He has more than 25 years of experience since 1992 in Accounting Manager, and 8 years in Deputy Inspector General of Ministry of Planning.



## Management Teams



**Mr. UM Piseth /** Chief Executive Officer

Mr. UM Piseth started his career with FUTABA Microfinance Plc., as Head of Credit Department in late 2015, then he was promoted to be an ACEO in July, 2016. He is now in charge of three departments, Credit Department, Marketing Department, and Operation Department. In the background, he obtained Bachelor Degree in the field of General Management from Royal University of Law and Economics, and held Diploma of Intensive English Academic of Purpose from Paññasastra University of Cambodia. He has attended numerous Training Courses, Workshops and conferences, which was related to Property Development Sector, and Banking & Microfinance Sectors as well. He has spent over 17 years of practical experience in

Various Positions in Microfinances such as Branch Officer, Branch Manager, Regional Manager, Operation Manager, Head of Marketing & Communication Department, Credit Manager, and Head of Credit Department. He also used to work with Telecom Companies for over 3 years. On 29th Nov 2023, Mr. UM Piseth has been promoted to Chief Executive Officer.



**Mr. CHAP Ratana /** Advisor to CEO

Ph.D. CHAP RATANA started his career with FUTABA Microfinance Plc., as Local Financial Adviser in January 2015, then he was appointed to be a Deputy Chief Executive Officer in late 2015. He earned Master Degree in Business Administration and Ph.D. Degree in Educational Administration at Build Bright University (BBU). He has over 25-years working experience as an Interpreter, Administrator, Project Manager and a Local Adviser with all corporate levels of Line - Ministries, Provincial Levels, Development Partners, UN, IO, NGO, Private Sectors in the fields of National Strategic Development Plan, Financial, Statistics, Education, M&E, Health based UNTAC, WHO- Ministry of Health, and UN - Ministry of Planning.

Lastly, in January 2017, He was promoted to be Advisor to CEO.



#### **Mr. PREAP Kandoeng / Deputy CEO**

Mr. PREAP Kandoeng earned Master Degree of Business specialize in Finance from Charles Sturt University, Australia, and Bachelor's Degree in Business Administration, specialize in Accounting at National University of Management. He has years of working experiences at all corporate levels, educational background and continuous professional development. Before joining FUTABA, he had many years of experience in the field of Accounting Management, Accounting Technical Advisor, Banking and Finance Management and Head of Finance Department position of other MFI. He joined FUTABA Microfinance PLC., as Head of Finance Department in 2015. Then, he was promoted as ACEO, in charge mainly of difference

types of departments including Finance Department, IT Department, and HR & Administration Department, starting from 01 July, 2016. On 29th Nov 2023, Mr. Kandoeng PREAP has been promoted to Deputy Chief Executive Officer.



#### **Mr. LIM Sombo / Head of HR & Admin Dept.**

Mr. LIM Sombo was born in June, 1981. He joined FUTABA in November, 2015 as Head of Marketing Department. After working for 2 years, he has been appointed as Head of HR & Admin Department since November, 2017. He is responsible for managing, monitoring, and developing policies/procedures related to HR and Admin of FUTABA. Prior starting the career with FUTABA, he had over 14-years work experience with two major banks including regional foreign bank and local bank, which were the largest of branch networks. With experiences in banking sectors, He used to handle various positions such as Account Relationship Manager, AVP & Manager of Leasing Unit, AVP & Assistant Manager of Credit and Marketing

Unit, and other positions with over 10 years as he mainly involved in front line sale. In 2008, he graduated Bachelor Degree from Build Bright University in the field of Finance & Banking.



**Mr. KUNG Sarath** / Head of IT Dept.

Mr. KUNG Sarath, Cambodian, graduated with his Master's degree in Management in 2011 included two other major fields, Information Technology and English Literature. In professional background, he was an IT Manager who handled and led IT Department Division in one among the largest commercial bank in Cambodia. He gained hands-on experience in Core - Banking System, Card System, and SWIFT System with various kinds of Technical Skills such as defining system work flow and process, secured banking network infrastructure, and policy maker. In early 2016, he joined FUTABA Microfinance Plc., as Deputy Head of IT, and six months later he was promoted to be Head of IT. He has initiated and set up Network Infra-

structure for Production and DR Data Centre site, and IT Policy as well as IS Policy for FUTABA Microfinance Plc., since first established. He got over 10-year experience in Banking and Financial Sector.



**Mr. SAR Phearom** / Head of Risk, Legal & Compliance Dept.

Mr. SAR Phearom was jointed as Deputy Head of Legal & Compliance of FUTABA in September 2017. Before joining FUTABA, he worked in Chamroeun MFI in the last position as Head of Risk and Legal Compliance and started with Chamroeun in many positions from Loan Officer in February 2009 and became Internal Audit Officer in February 2010. He was later promoted to Branch Manager in November 2010 and Senior Compliance Officer in June 2012. And then he was promoted to Legal and Compliance Manager in June 2013 and Head of Legal Department in January 2015 then in charge of Head of Risk & Legal Compliance. He has almost 1 year - experience with Feeling Home Hotel as Front Officer and more than 4

year - experiences with World Vision at District as Volunteer. He obtained his Master Degree majoring in Master in Private Law from the Royal University of Law and Economics and holds a Bachelor Degree in Accounting and Financial from Human Resources University. Within his roles and duties, He has spent experiences over 9 years in various position in Banking and Financial Institution sector.





**Mr. YAT Bunchea /** Head of Credit Dept.

Currently, Mr. YAT Bunchea joined FUTABA Microfinance institution Plc as a Head of Credit Department. Prior to his career at Futaba Microfinance Plc, he held many positions in financial industry such as: Credit Officer, Senior Credit Officer, Credit Manager, Branch Manager, Provincial Manager, Operation Manager and General Manager. He had many experiences over 25 years with Local NGOs and MFIs sector. He has participated working with UNTAC as Interpreter and observer of 1993 election. He used to work as a High School Teacher in Science Subject and English Language. He obtained Bachelor's Degree of Business Administrative, majoring in General Management at Build Bright University in 2009. He has participated

many trainings and short courses as well as with CMA and other financial sectors training, especially; he has participated the training courses in Credit Unions Management organized by Asian Confederation of Credit Unions (ACCU) and Credit Union League of Thailand Limited (CULT) in Thailand.



**Mr. KORN Vichith /** Head of Finance Dept.

Mr. KORN VICHITH was Born on March 4, 1976, He graduated with a Bachelor of Business Administration in Accounting and Finance from Build Bright University in 2008. In 1995, he first joined a private bank in Phnom Penh as a bank employee and he was promoted the position subsequently and the last he was the assistant to the head of finance department. In 2009, he moved to work with the Korean Investment Microfinance Institution as a manager of the accounting and finance department. Then, in 2018, he moved to take part in one microfinance institution that is a Cambodian shareholder. there, he was the manager of the finance department, and then until 2021 he was promoted as deputy general manager. He organized and managed

the day-to-day operations of all departments of the institution. Mr. KORN VICHITH has attended many training courses related to the banking and microfinance sector such as Cambodian Microfinance Association, Credit Bureau Cambodia, National Bank of Cambodia, National Tax School, during 2022 He attended in 6 months training course on CIFRS for SMEs at CamEd Business School, other relevant ministries and also participation in the other seminars. until now He has spent more than 20 years with his career in banking and microfinance sector. At the beginning of December 2023 He, recently, moved to work with Futaba Microfinance Plc., which has the role of Head of Finance Department.

**DREAMS COME TRUE**



# Business Performance

- Loan Performance by Sectors
- Loan Performance by Products
- Classifying the Loan Types by Main Categories
- Classifying the Loan Products by Main Categories

## Agriculture loan

Currency : KHR & USD  
. Loan Size Up to : 200,000 USD  
. Loan Term Up To : 10 years



## Loan Performance by Sectors

### Number of Accounts

Sectors	2023	2022	2021
Agriculture, Forestry & Fishing	21	42	30
Commerce and Trade	112	111	110
Construction	44	57	68
Transportation	34	36	35
Service	33	15	18
Household / Family	639	528	490
Other Categories	-	0	0
Total	883	789	751

### Gross Loan Portfolio

Sectors	2023	2022	2021
Agriculture, Forestry & Fishing	301,653	602,506	424,965
Commerce and Trade	2,213,001	2,356,068	2,480,358
Construction	672,623	923,082	1,259,321
Transportation	532,038	632,444	625,125
Service	755,092	377,365	449,132
Household / Family	9,908,669	8,404,454	8,148,633
Other Categories	-	-	-
Total	14,383,076	13,295,920	13,387,534

## Loan Performance by Products

### Number of Active Accounts

Sectors	2023	2022	2021
Business Loan	204	184	199
Consumption Loan	408	324	271
Agriculture Loan	32	40	31
Housing Loan	180	185	196
Staff Loan	35	33	35
Education Loan	3	3	3
Employee Loan	21	20	16
Total	883	789	751

### Gross Loan Portfolio

Sectors	2023	2022	2021
Business Loan	3,903,318	3,889,124	4,257,537
Consumption Loan	5,710,469	4,223,865	3,633,073
Agriculture Loan	435,983	582,821	462,397
Housing Loan	4,013,953	4,267,818	4,607,273
Staff Loan	280,523	265,797	402,550
Education Loan	2,948	792	650
Employee Loan	35,882	37,414	24,054
Total	14,383,076	13,267,631	13,387,534

## Classifying the loan Types by Main Categories

### Gross Loan Portfolio

Types	2023	2022	Variance %
Micro Loan	293,813	297,631	(1.28%)
Small Loan	5,083,382	4,422,816	14.94%
Medium Loan	8,293,151	7,598,318	9.14%
Large Loan	712,731	977,156	(27.06%)
Total	14,383,076	13,295,920	8.18%

## Classifying the loan Products by Main Categories

### Gross Loan Portfolio

Types	2023	2022	Variance %
Business Loan	3,903,318	3,897,416	0.15%
Consumption Loan	5,710,469	4,232,871	34.91%
Agriculture Loan	435,983	584,063	(25.35%)
Housing Loan	4,013,953	4,276,918	(6.15%)
Staff Loan	280,523	266,364	5.32%
Education Loan	2,948	793	271.57%
Employee Loan	35,882	37,494	(4.30%)
Total	14,383,076	13,295,920	8.18%

# Capacity Building

- Internal Staff Training
- External Staff Training
- Annual Workshop

## Housing Loan

Currency : KHR & USD  
. Loan Size Up to: 200,000 USD  
. Loan Term Up To : 10 years



# Capacity Building

The senior management of Futaba Microfinance Plc. has developed action plan for effective implementation in a highly competitive market environment to overcome the current situation and ensure the satisfaction of its customers. Staff training is an important initiative that top managers always support to improve staff knowledge and skills. Training for both new tenants and current staff is defined and coordinated by the Human Resources and Admin Department in coordination with other departments.

## - Internal Staff Training

For 2023, a total of 34 internal training sessions were organized, of which 13 were new employees and 21 were employees.



Internal Staff Training

### - External Staff Training

In order to further Futaba's work toward sustainable growth, managers and staff need continue to be sent to external seminars and training sessions. Futaba has persistently pushed for regular implementation of this strategy and views it as a top priority. In fact, Futaba has encouraged its leaders and staff to participate in outside training programs as well as further workshops of 14 times for 2023.



### - Annual Workshop

The annually workshop is another significant event that Futaba's management plans on a yearly basis. Through this workshop, staff members and branch office leaders come together to discuss and implement new initiatives as well as learn about the overall business results following a year of hard work. Upper management can provide more sage advice on how to complete the jobs in order to increase success.

The presence of the Chairman of the Board and the member of the Independent Board of Directors made the 2023 workshop program feel warm like a big family. This 2023 workshop was held in Phnom Penh and has as its topic "Workshop to summarize the results of 2023 and implementation direction for next year" with the participation of senior management and staff in total of 90 people.





Annual Workshop Activities



# Risk Management and Internal Control

- Risk and Compliance Management
- Internal Audit

## Business loan

Currency : KHR & USD  
. Loan Size Up to : 200,000 USD  
. Loan Term Up To : 10 years

# Risk and Compliance Management

Regulators, external auditors, and other consultants are also a part of external oversight of the institutional operations, which can show **FUTABA** Microfinance Plc., with shortcomings, risk identification arising and help identify which points to be improved. Additionally, Risk Management and Compliance continues to strengthen **FUTABA**'s internal control to comply with other laws and regulations of NBC licensing and registration as well as other governmental rules which ensures that **FUTABA**'s business expansion and its operation are fully compliant with Cambodia's laws, rules and regulations in banking and microfinance sectors.

Board of Directors has decided to establish the Risk, Legal, and Compliance Department which has been in charge in and responsible by Head of Risk, Legal, and Compliance to ensure that **FUTABA**'s risk occurring and compliance management is taken, by overseeing the internal control in place to identify, assess and manage internal and external risks that could present threats to **FUTABA**'s operation and ensure that practices and procedures are fully complied with laws and regulations. In addition, the department also responsible for monitoring compliance aspect with the internal policies, procedures and guidelines related to compliance, including checking the efficiency on adherence of established policies and liaises internal and external functions in matters of compliance and managing compliance risks. In the process of measurement of qualifications and work experience of the responsible persons in compliance area, the compliant representative was checked and recognized by the National Bank of Cambodia on August 29th, 2018 with fully completed the certificate of Regulatory Compliance by Institute of Banking and Finance and re-certified certificate of Regulatory Compliance every 3 years. Additionally, the Legal and Compliance Department is responsible for overseeing on Anti-Money Laundering and Combating Financing Terrorism, and Combating the Financing of Proliferation of Weapons of Mass Destructions, which is reported and cooperated with the Financial Intelligent Unit of the National Bank of Cambodia.

## Risk and Compliance Committee

**FUTABA** has formed the Risk and Compliance Committee in board level on November 01st, 2019, chaired by an Independent Board of Director. Head of Risk, Legal, and Compliance is a coordinator for discussing the reports with all departments or managements and review the adequacy and completeness of the compliance risk analysis which required by laws and regulations. Significant compliance risks are highlight and reported to the Board of Directors for reviewing and commended back in timely compliance and resolution. In addition, the Risk, Legal, and Compliance Department is also a member of the management committee, which consists of the Information Technology Risk Management Committee, the Information Technology Strategy Committee and the Information Technology Steering Committee, to oversee and properly implement the information technology sector.

## Meeting and Membership

The Risk and Compliance Committee meetings are held at least twice a year, and shall be invited by the Chairman of the committee or members.

The members of this committee shall be at least three members. The member of the Risk and Compliance Committee has composed by persons as:



Mr. NGET Sovannaro  
Independent Board of Director  
(Chairman)



Mr. Yosuke SASAKI  
Board of Director  
(Member)



Mr. Junichi SASAKI  
CEO/President  
(Member)



Mr. UM Piseth  
CEO  
(Invitation)



Mr. PREAP Kandoeng  
DCEO  
(Invitation)



Mr. SAR Phearom  
Head of Legal & Compliance Dept.  
(Secretary)

#### - Duties & Responsibilities

- To review and assure the develop and revise of the procedures and policies on Legal and Compliance in order to effectively monitor and evaluate performance.
- To review the regular updates assessing performance of the Compliance function required by laws and regulations.
- Regularly review the internal Compliance Checklist to identify risk, follow up and take action plan ongoing to manage the risk in a timely and effective manner.
- To consider and review the Audit Reports finding related to compliance implementation and the regulatory risks that arise and their implications.
- Monitoring of effective compliance with Anti-Money Laundering and Combating Financing Terrorism, and Combating the Financing of Proliferation of Weapons of Mass Destructions practices with the Financial Intelligence Unit of National Bank of Cambodia.
- To assure that the necessary training is provided to all staffs and ensure a compliance awareness culture including the aware of AML/CFT/CFP measures within institution.
- Review and assure the develop and revise of the procedures and policies on Risk Management Framework in order to effectively monitor and evaluate performance.

## Internal Audit

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Internal Audit must be an independent side which monitor and report overall implementation processes of the institution. FUTABA's Internal Audit was first established in July 2017, in charged by Internal Audit Unit Manager. This position has been changed and re-recognized by NBC on September 28th, 2020. Internal Audit Unit Manager is responsible for conducting audit tasks and all operating inspections within **FUTABA** Microfinance Plc., as well as audit planning, updating audit program and training staff for the necessary need to improve the quality of audit. In accordance with the internal audit policy and audit plan, at least three times a year, shall be audited at each branch and once a year for significant department. Internal Audit side is independent of all FUTABA's operations and reports directly to Audit Committee in Board level. In fact, in 2023, Internal Audit also reported the internal audit reports to Board of Directors about the performance and key issues finding of the institution's operations under managing by management team, department and branch.

To support the Board of Director and Management, FUTABA has established two committees at the board level such as the Audit Committee, and Risk and Compliance Committee.

#### Audit Committee

This committee is constituted to ensure safe and sound corporate governance and it is vested with necessary power as defined in its Charter to achieve its objectives. The powers and terms of reference of the Audit Committee are comprehensive and comply with the requirement as set out by Article 131 of the Law on Commercial Enterprise, as well as Article 8 of the Prakas B7-08-211 on Governance in Bank and Finance Institutions of Cambodia. The Chairman of this committee is a Non-Executive Independent Director who also answers all queries from shareholder at the meeting.

#### Meeting and Membership

The meeting of Audit Committee shall be called by the Chairman of the committee at the request of any of its members or at the request of external or internal auditors if they consider it is necessary. A statement of place, time and agenda of the meeting to be discussed shall be sent to all members and stakeholders who attend the meeting at least 5 (five) working days. Relevant documents must be sent all members and other participants at the same time. Extraordinary meetings may be held as appropriate, but ordinary meeting shall be held at least twice a year, in June and December of each year depending on the circumstances. In fact, in 2023, this committee meeting was

held by directly on August 23rd, 2023 at Head Quarter and by electronically on December 28th, 2023.

The Committee shall be appointed by the Board, and shall be at least three members. The Chairman of this committee shall be an independent board of director and all members must be independent of their roles and responsibilities as well. The AC members are as follow:

- Mr. MOTOO HAMADA	Independent Board of Director	: Chairman
- Mr. JUNICHI SASAKI	Board of Director	: Member
- Mr. UM Piseth	CEO	: Invitation
- Mr. PREAP Kandoeng	DCEO	: Invitation
- Person In-Charge	Internal Audit Unit Manager	: Member/Secretary

#### - Duties & Responsibilities

- Review and approve the terms of the annual internal audit plan and work program including objectives, scope, and timetable;
- Review matters which may affect the independence of the internal auditor;
- Review and approve of a policy and procedure;
- Review the findings and follow-up of the internal auditor including any significant disagreements between management and the internal auditor with regard to required system and control;
- Ensure that direct and open communication exists among the AC, the external auditor and the internal auditor;
- Provide AC members access to the internal auditors and the Internal Audit Unit Manager/Head of Internal Auditor without the presence of management;
- Communicate the AC's expectations to the internal auditor in writing;
- Receive and review reports prepared by internal audit activity in terms of quality and timeliness;
- Monitor the progress of the internal audit plan and work program and considering the implications of internal audit findings for the control and business environment;
- Monitor the implementation of internal audit's findings and recommendation;
- Monitor and reviewing the quality of internal audit services delivered;
- Evaluate the process the company has in place for monitoring and assessing the effectiveness of the internal auditor;
- Oversee the coordination of the planned activities of internal and external audit, risk and compliance management.



# Financial Statements & Independent Auditor's Report

- Board of Director's Report
- Independent Auditor's Report
- Statement of Financial Position
- Statement of Profit & Loss and other Comprehensive income
- Statement of Changes in Equity
- Statement of Cash Flows

## Consumption loan

Currency : KHR & USD

. Loan Size : 200 USD - 200,000 USD

. Loan Term Up To : 10 years





# Board of Director's Report

The board of directors hereby submit the report and the audited financial statements of the Futaba Microfinance Plc. (“the Company”) for the financial year ended 31 December 2023.

## Background and principal activities

Futaba Microfinance Plc (“the Company”) is a public limited company incorporated in the Kingdom of Cambodia and registered with the Ministry of Commerce (“MOC”) under registration No. 00016904 KH/2015 dated 14 December 2015. the Company obtained its license from the National Bank of Cambodia (“NBC”) to operate as a micro finance institution on 16 December 2015. The Company is principally engaged in all aspects of micro-finance business and the provision of related financial services in Cambodia.

The Company is principally engaged in all aspects of micro-finance business and the provision of related financial services in Cambodia.

The Company’s Head office is located at No.795, Preah Monivong Street, Sangkat Beoung Trobek, Khan Chamkamon, Phnom Penh, Kingdom of Cambodia.

## Holding Company

The holding company is Azuma & Co., Ltd, a company incorporated in Japan.

## Results of operations

The results of the Company’s operations for the year ended 31 December 2023 and the state of its affairs as at that date are set out in the financial statements.

The board of directors do not recommend the payment of dividend for the year ended 31 December 2023.

## Board of Directors

The board of director’s members of the Company during the year and to the date of this report were as follows:

1. Mr. Chreuk Phally	Chairman
2. Mr. Yosuke Sasaki	Director
3. Mr. Junichi Sasaki	Director
4. Mr. Motoo Hamada	Independent Director
5. Mr. Nget Sovannaro	Independent Director

## Auditors

The financial statements for the year ended 31 December 2023 have been audited by Kreston Cambodia trading name under Cam Accounting & Tax Service Co., Ltd.

## Board of director’s responsibility for the financial statements

The board of directors are responsible for the financial statements of the Company to be properly drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2023 and of its financial performance and cash flows for the financial year then ended. In the preparation of these financial statements, the directors are required to:

i. adopt appropriate accounting policies in compliance with Cambodian International Financial Reporting Standards for Small and Medium-Sized Entities for Small and Medium-Sized Entities (“CIFRS for SMEs”) which are supported by reasonable and appropriate judgments and estimates and then apply them consistently;

ii. comply with the disclosure requirements CIFRS for SMEs and guidelines of the National Bank of Cambodia or, if there have been any departures in the interest of true and fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the financial statements;

- iii. maintain adequate accounting records and an effective system of internal controls;
  - iv. prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Company will continue its operations in the foreseeable future; and
  - v. control and direct effectively the Company in all material decisions affecting its operations and performance and ascertain that such decisions and/or instructions have been properly reflected in the financial statements.
- The directors confirm that the Company has complied with the above requirements in preparing the financial statements of the Company.

#### Preparation of the financial statements

In the preparation of the financial statement, the directors have taken account of the following matters:

- i. all material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements;
- ii. adequate allowance for impairment losses on loan to customers and current and non-current assets, if required, has been made;
- iii. known bad debts had been written off, if any;
- iv. existing methods of valuation of assets or liabilities is not misleading or inappropriate;
- v. there are no known circumstances that would render any amount stated in the financial statements to be misleading;
- vi. there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Company for the financial year in which this report is made;
- vii. the results of the operations of the Company during the financial years were not, in the opinion of the directors, substantially affected by any item, transactions or event of a material and unusual nature;
- viii. no contingent or other liability of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the Company to meet its obligations when they fall due.

#### Approval of the Financial Statements

The directors hereby approve the accompanying financial statements which give a true and fair view of the financial position of the Company as at 31 December 2023, its financial performance and cash flows for the financial year then ended in accordance with CIFRS for SMEs and guidelines of the National Bank of Cambodia (“NBC”).



**Mr. Chreuk Phally**  
**Chairman**

Phnom Penh, Kingdom of Cambodia  
Date: 29 March 2024

# Independent Auditor's Report

To Shareholders of FUTABA Microfinance Plc.

## Opinion

We have audited the financial statements of Futaba Microfinance Plc., (“the Company”) which comprise the statement of financial position as at 31 December 2023 of the Company, the statement of profit or loss and other 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 33. In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, 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 (“NBC”).

## Basis for 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.

## Other matters

The financial statements of Futaba Microfinance Plc. for the year ended 31 December 2022 were audited by another auditing firm whose report, 27 April 2023 dated, expressed an unqualified opinion.

## Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

## 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.

## 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 intend to liquidate the Company or to cease 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 scepticism 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.

- 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.

**On behalf of Cam Accounting & Tax Service Co., Ltd.**

Certified Public Accountants and Auditors



**Keat Heng, CPA, ACCA**  
**Audit Partner**

Phnom Penh, Kingdom of Cambodia

Date: 29 March 2024

# Statement of Financial Position

As at 31 December 2023

	USD	2023 KHR'000	USD	2022 KHR'000
<b>ASSETS</b>				
Cash on hand	18,466	75,434	88,234	363,259
Deposits and placements with NBC	360,140	1,471,172	355,747	1,464,610
Deposits and placements with other banks	466,587	1,906,008	1,726,576	7,108,313
Loans to customers	14,383,076	58,754,865	13,295,920	54,739,303
Other assets	173,396	708,323	178,922	736,622
Property and equipment	178,372	728,650	98,381	405,035
Intangible Assets	825	3,370	-	-
<b>Total Assets</b>	<b>15,580,862</b>	<b>63,647,822</b>	<b>15,743,780</b>	<b>64,817,142</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Liabilities</b>				
Amount due to related party	6,037,182	24,661,888	6,537,182	26,913,578
Deferred tax liabilities	260,803	1,065,380	127,144	523,452
Income tax payables	-	-	914	3,763
Other liabilities	62,031	253,397	118,158	486,456
<b>Total Liabilities</b>	<b>6,360,016</b>	<b>25,980,665</b>	<b>6,783,398</b>	<b>27,927,249</b>
<b>Equity</b>				
Share capital	7,000,000	28,000,000	7,000,000	28,000,000
Regulatory reserve	824,413	3,363,369	798,749	3,257,888
Retained earnings	1,396,433	5,689,335	1,161,633	4,724,308
Translation reserve	-	614,453	-	907,697
<b>Total Equity</b>	<b>9,220,846</b>	<b>37,667,157</b>	<b>8,960,382</b>	<b>36,889,893</b>
<b>Total Liabilities and Equity</b>	<b>15,580,862</b>	<b>63,647,822</b>	<b>15,743,780</b>	<b>64,817,142</b>

# Statement of Profit & Loss and other Comprehensive Income

For the year ended 31 December 2023

	2023		2022	
	USD	KHR'000	USD	KHR'000
Interest income	1,881,749	7,733,988	1,881,447	7,689,474
Interest expense	(94,507)	(388,424)	(98,058)	(400,763)
Net interest income	1,787,242	7,345,564	1,783,389	7,288,711
Other operating income	96,787	397,795	170,642	697,414
Employee expenses	(854,031)	(3,510,067)	(774,092)	(3,163,714)
General and administrative expense	(511,253)	(2,101,250)	(533,597)	(2,180,811)
Allowance for impairment losses	(109,322)	(449,313)	(57,999)	(237,042)
Profit before taxes	409,423	1,682,729	588,343	2,404,558
Income taxes	(148,959)	(612,221)	(138,917)	(567,754)
Profit for the year	260,464	1,070,508	449,426	1,836,804
Other comprehensive income	-	-	-	-
Currency translation differences	-	(293,244)	-	379,454
Total comprehensive income for the year	260,464	777,264	449,426	2,216,258



# Statement of Changes in Equity

For the year ended 31 December 2023

	Share capital USD	Regulatory reserve USD	Retained earnings USD	Total USD
At 01 January 2022	7,000,000	474,252	1,036,704	8,510,956
Profit for the year	-	-	449,426	449,426
Transfer	-	324,497	(324,497)	-
Balance at 31 December 2022	7,000,000	798,749	1,161,633	8,960,382
Profit for the year	-	-	260,464	260,464
Transfer	-	824,413	(824,413)	-
Adjustment	-	(798,749)	798,749	-
Balance at 31 December 2023	7,000,000	824,413	1,396,433	9,220,846

	Share capital KHR'000	Regulatory reserve KHR'000	Retained earnings KHR'000	Translation reserve KHR'000	Total KHR'000
At 01 January 2022	28,000,000	1,931,668	4,213,724	528,243	34,673,635
Profit for the year	-	-	1,836,804	-	1,836,804
Transfer	-	1,326,220	(1,326,220)	-	-
Translation differences	-	-	-	379,454	379,454
Balance at 31 December 2022	28,000,000	3,257,888	4,724,308	907,697	36,889,893
Profit for the year	-	-	1,070,508	-	1,070,508
Transfer	-	3,388,339	(3,388,339)	-	-
Adjustment	-	(3,282,858)	3,282,858	-	-
Translation differences	-	-	-	(293,244)	(293,244)
Balance at 31 December 2023	28,000,000	3,363,369	5,689,335	614,453	37,667,157

# Statement of Cash Flows

For the year ended 31 December 2023

	2023		2022	
	USD	KHR'000	USD	KHR'000
<b>Cash flows from operating activities</b>				
Profit before taxes	409,423	1,682,729	588,343	2,404,558
Adjustment for:				
Depreciation	63,069	259,214	25,855	105,669
Gain on disposal of property and equipment	(1,009)	(4,147)	-	-
Allowance for impairment losses	109,323	449,318	57,999	237,042
Write-off of property and equipment	-	-	5,762	23,549
Operating profit before working capital changes	580,806	2,387,114	677,959	2,770,818
Changes in:				
Loans and advances	(1,196,721)	(4,918,523)	33,716	137,797
Other assets	5,526	22,712	(6,511)	(26,610)
Other liabilities	(56,127)	(230,682)	(182,522)	(745,967)
Cash used in operations	(666,516)	(2,739,379)	522,642	2,136,038
Income taxes paid	(16,214)	(66,641)	(91,195)	(372,714)
Net cash flow used in operating activities	(682,730)	(2,806,020)	431,447	1,763,324
<b>Cash flow from investing activities</b>				
Proceed from disposal of property and equipment	1,009	4,147	-	-
Acquisition of property & equipment	(143,060)	(587,977)	(45,934)	(187,732)
Acquisition of Intangible asset	(825)	(3,391)	-	-
Net cash flow used in investing activities	(142,876)	(587,221)	(45,934)	(187,732)
<b>Cash flows from financing activities</b>				
Repayment of borrowings	(500,000)	(2,055,000)	98,058	400,763
Net cash generated from financing activities	(500,000)	(2,055,000)	98,058	400,763
Net changes in cash and cash equivalents	(1,325,606)	(5,448,241)	483,571	1,976,355
Cash and cash equivalents at 01 January	1,820,889	7,496,599	1,337,318	5,448,234
Currency translation differences	-	(25,126)	-	72,010
Cash and cash equivalents at 31 December	495,283	2,023,232	1,820,889	7,496,599
Cash and cash equivalents at 31 December 2023				
Reconciliation:				
Cash on hand	18,466	75,434	88,234	363,259
Deposits and placements with NBC (Excluding statutory deposits)	10,140	41,422	5,747	23,660
Deposits and placements with banks	466,677	1,906,376	1,726,908	7,109,680
	495,283	2,023,232	1,820,889	7,496,599

# MORTGAGE

## APPLICATION FORM

Housing Register number: \_\_\_\_\_

Name(s): \_\_\_\_\_

Applicant 1: \_\_\_\_\_

Applicant 2: \_\_\_\_\_

Date of Birth: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone Home: \_\_\_\_\_

Work: \_\_\_\_\_

Mobile: \_\_\_\_\_

Email: \_\_\_\_\_

Members of household to be housed:

Name: _____	Relationship: _____
Date of Birth: _____	
Name: _____	Relationship: _____
Date of Birth: _____	
Name: _____	Relationship: _____
Date of Birth: _____	
Name: _____	Relationship: _____
Date of Birth: _____	

Your current housing circumstances:

Are you: please tick as appropriate

An owner occupier: ☐

In HM Forces quarters: ☐

A tenant of a housing association: ☐

A shared owner lessee: ☐

A tenant of housing provided with job: ☐

A private tenant: ☐

Living with friends/family/lodger: ☐

☐

# FUTABA's Corporate Partner

## Partners



## Lenders



## **Any Inquiry or Complaints**

Please contact this number



**070 229 333**

**017 237 885**





 **070 312 333**



Scan here for more information