



ธนาคาร เอส บี ไลฟ์ เอช บี อี บิว
SBILY HOUR Bank



ANNUAL REPORT 2020



ឧបករណ៍
ស្របចំ



ធនាគារអេសប៊ីអាយលីហ្គ
SBILY HOUR Bank



ធនាគារ អេស ប៊ី អាយ លី ហ្គ
SBILY HOUR Bank

សេវាអន្តរជាតិ
International Service

ស្វាគមន៍ - Welcome



CONTENT

01

About the Bank

About the Bank

Key Figures

Page

Vision, Mission and Core Values

1 - 28

Corporate Lenders

Message from Chairman

Message from CEO

Board of Directors

Senior Management

Organizational Chart

Risk Management

Human Resources

Products and Services

02

Financial Report

Report of the Board of Directors

Report of the Independent Auditors

Page

Statement of Financial Position

30 - 42

Statement of Profit or Loss and
Other Comprehensive Income

Statement of Changes in Equity

Statement of Cash Flows

03

Branch Networks

Standard Branch Office

Page

Branches

44 - 48

01

About the Bank

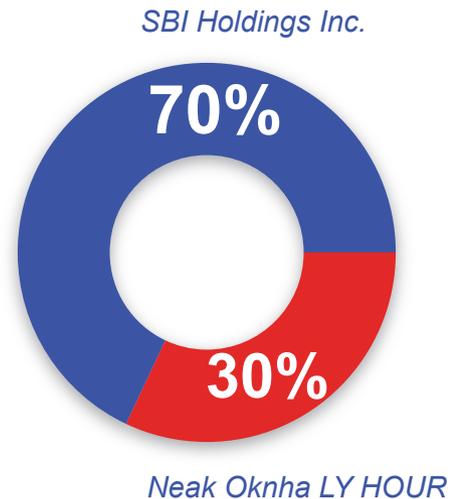
About the Bank	02
Key Figures	03
Vision, Mission and Core Values	05
Corporate Lenders	06
Message from Chairman	07
Message from CEO	09
Board of Directors	11
Senior Management	15
Organizational Chart	21
Risk Management	23
Human Resources	25
Products and Services	27

ABOUT THE BANK

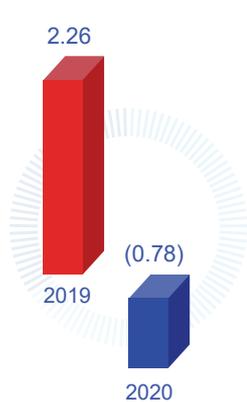


SBI LY HOUR Bank Plc. is a joint venture between Neak Oknha LY HOUR and SBI Holdings Inc. SBI LY HOUR Bank Plc. is a company duly incorporated under the law of the Kingdom of Cambodia.

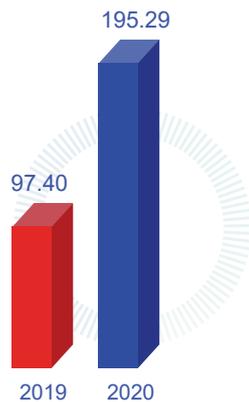
The Bank's objective is to provide in any or all commercial banking business to individuals, SMEs, companies, and corporations in general as a contribution to socio-economic development in Cambodia and elsewhere as conducted by all commercial banks internationally. The aim is to help Cambodia, Cambodian businesses and people to improve the living standard and grow the business by providing highly professional, technologically advanced banking services, affordable financing and bringing the latest financial technology to make the user's experience easier and more attractive.



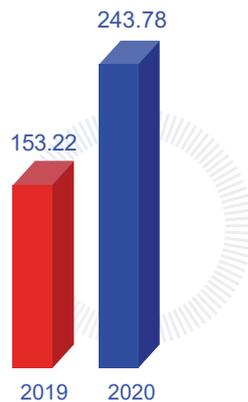
KEY FIGURES



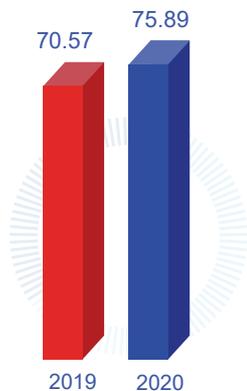
Profit (Loss)
(Million USD)



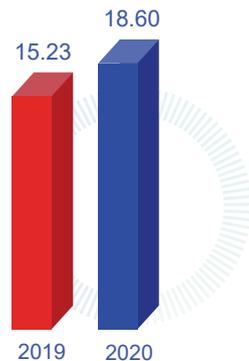
Loan
(Million USD)



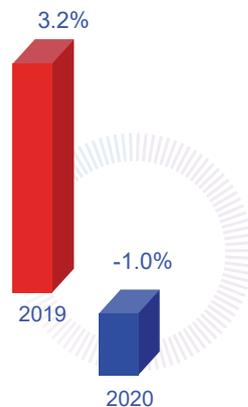
Total Assets
(Million USD)



Total Equity
(Million USD)

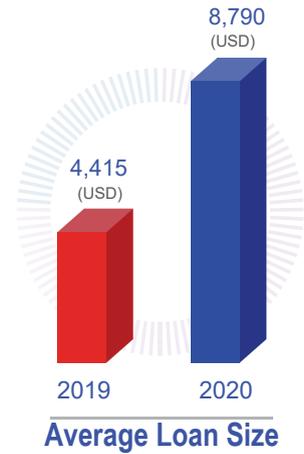
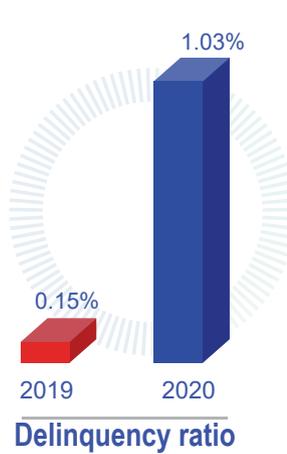
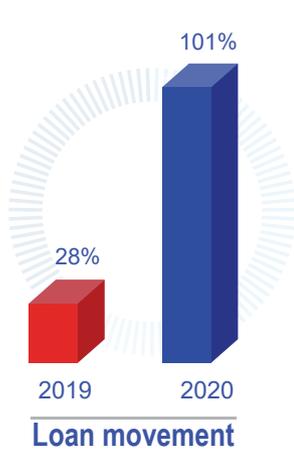


Interest income
(Million USD)



Return on Equity





VISION, MISSION AND CORE VALUES

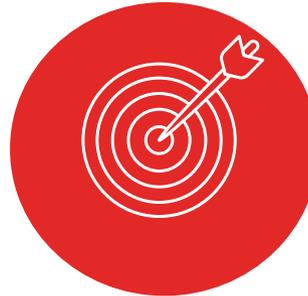
Vision

Most trusted leading bank through financial innovation by continual self-evolution with high social responsibility



Mission

Promote and encourage the financial inclusion through modern digital banking, trusted banking operations, and networks of agents in Cambodia.



Core Values

Integrity : Loyalty and honesty
Leadership : Everyone is a leader
Collaboration : Work as a team to reach our goal
Accountability : My actions are my responsibilities
Customer-Oriented : We commit to provide best service

CORPORATE LENDERS



MESSAGE FROM CHAIRMAN

SBI LY HOUR BANK Plc, formerly known as Ly Hour Microfinance Institution Plc., was transformed in early 2020. It was registered with Ministry of Commerce as limited liabilities company under existing registered license number 00001313 issued on August 6th 2012 with Paid Capital of USD75 million. The bank received license to carry out banking operations from National Bank of Cambodia on March 23rd, 2020. The Bank's head office is located at No. 219, Street 128 corner 169, Sangkat Mittapheap, Khan 7 Makara, Phnom Penh, Kingdom of Cambodia. SBI LY HOUR Bank Plc, is the joint-venture of SBI Holdings, Inc. (70%) and Neak Oknha Ly Hour, representing Ly Hour Group (30%).

SBI Holdings, Inc., (Strategic Business Innovator) which established in July 8, 1999, is a listed company in Tokyo Stock Exchange. The Group which headquartered in Tokyo, Japan is currently having 303 companies over 22 countries and regions in the globe. The Group is globally operating business in particular segments such as Financial Services, Asset Management, Biotechnology-related, and Others.

Ly Hour Group startup business in Cambodia since 1986 and now consists of 8 companies such as:

- (1) Ly Hour Exchange Co., Ltd,
- (2) Ly Hour Pawn Shop Co., Ltd,
- (3) Borey Vimean Phnom Penh,
- (4) SBI Ly Hour Bank Plc,

- (5) Tepi Agro Co., Ltd,
- (6) Ly Hour Leasing Plc,
- (7) Ly Hour Pay Pro Plc, and
- (8) Ly Hour Insurance Plc.

Covid-19 pandemic has significantly impacted Cambodia's economy in 2020 and is continuing. The outbreak caused sharp deceleration in most of Cambodia's main engines of growth—tourism, manufacturing exports, and uninspiring performance in the construction sector. Despite the Covid-19 crisis, the banking sector with strategic support from the National Bank of Cambodia has been stable and actively involved in supporting economic activities and reducing the impact of the crisis on businesses and the poor in line with government policies.

Meanwhile in 2020, SBI Ly Hour Bank Plc. has become one of the most remarkable and active Banks and highly recognized by the public in Cambodia since conversion amidst the outbreak with high growth for both deposit and loan. The Bank has expanded its offices 40 branches (6 more under set up and regulatory approval process) throughout all 25 provinces with total staff of 1,157 (560 staff are newly recruited).

The Bank has formed its new Boards of Directors and improved the corporate governance by establishing 3 Board level committees including: (1) Audit Committee, (2) Risk Oversight Committee, and (3) Remuneration and Nomination Committee to strictly follow the regulatory requirements

of the National Bank of Cambodia and ensure good governance practice. Also, with the strong risk management framework, the Bank has well maintained its good loan portfolio quality by which the portfolio at risk (PAR) over 30 days was only 1.00% and 0.87% of restructured loan. We made no written-off in 2020.

We expect higher growth in 2021. We commit to expand our banking services in the rural area and penetrating more than 95% communes through our branches and Ly Hour Veluy Agents as our cash points.

On behalf of the shareholders and the Board of Directors of the Bank, I would like to recognize the achievements in 2020 which come from the strong support from all stakeholders including stakeholders, customers, the external auditor, and government officials, especially the National Bank of Cambodia. These accomplishments would not be made possible without your support. In this regard, I would like to extend my profound thanks to all of you. Finally, I would also express my heartfelt gratitude to the management and staff for their great efforts and hard work for the Bank.



Neak Oknha Ly Hour
Chairman of the Board of Directors



MESSAGE FROM CEO

“From Microfinance Institution to be an active competitor in banking sector in Cambodia amidst COVID-19 crisis. 2020 has been remarked as the first Chapter of the fully transition of LY HOUR MICROFINANCE INSTITUTION to a Commercial Bank.”

In the environment that restructured loan reach more than USD3Billion and 300,000 clients for the whole banking sector in 2020, we made only 0.6% and maintaining our PAR at 0.9%. Due to Covid-19, we have ample time in 2020 and now to set up more branch offices, to deploy our IT systems, to recruit and train our staff, to update our products and policies and we are ready to compete more in 2021.

Of course, risk management plays a significant part within our bank that we are focusing and prioritizing on. It is a catalyst that helps to bring the whole institution towards success as well as maintain its long-term sustainability. To this regard, we have segregated a power into three critical parts as below:

- 1) Business Function: 1st level of risk control consists of auto-controls within the business hierarchy.
- 2) Risk Function: 2nd level of risk control via field inspection and risk analysts by risk & compliance team.
- 3) Audit Function: 3rd level is constituted by all-encompassing control mandate of the internal audit.

Our long-term experiences in our digital platform and Agent-Banking network allow us to further expand our business geographically at low cost toward mass market of the Microfinance and SME segments. Recently, our daily run rate reached more than USD 2 Million for both loan disbursement and deposit collection. We expect to further increase to USD3Million in 2021. The Bank has expanded its offices to 40 branches (6 more under set up and regulatory approval process) throughout all 25 provinces with total staff of 1,157 (560 staff are newly recruited).

Of course, digital transformation is one the key business initiatives and priorities of the Bank in order to deliver value to customers. Our goal in digital business is to improve and modernize our banking services to another higher level of financial inclusion through our ATMs and Mobile Banking application. 2021 shall be the year of Bank to take part fully in the digital market of the banking industry in Cambodia and to get ready for the Industry 4.0 revolution.

Our key strategy is to focus on collection of deposit from Phnom Penh and make loan disbursement in rural areas over the 25 provinces targeting Microfinance and SME segments with the support of over 4,500 Cash Points of Agent-Banking network of Ly Hour Veluy; a subsidiary of Ly Hour Group. Our clients are trained to do banking transaction through Card for loan withdraw and repayment.

Finally, on behalf of management and staff, I would like to express sincere thanks to our shareholders, chairman, and board members for governing and supporting the operations of the Bank; I would also want to express my thankfulness to the government, National Bank of Cambodia, authorities, stakeholders, and customers for providing trust, support, and cooperation toward the operations of the Bank.



Mr. Uth Soeurng
Chief Executive Officer



BOARD OF DIRECTORS



Neak Oknha Ly Hour , founder of Ly Hour Group, was born in Kampong Cham province in 1954.

He started his empire with only 0.25 ounce of gold in the early 1980s in Phnom Penh, Capital city of Cambodia. Today, Neak Oknha Ly Hour is one of the most prominent and trustworthy businessmen in Cambodia.

Under the visionary leadership of Neak Oknha Ly Hour , Ly Hour Group has progressively developed multi-faceted financial businesses ranging from currency exchange, gold trading, pawnshop, commercial bank, leasing, domestic and international

Neak Oknha Ly Hour Chairman

remittance, general insurance and investment management. Other businesses include property development and rubber and cashew nuts plantation. The company success and tremendous support from partners and public result from Ly Hour Group's integrity, honesty, transparency and fair treatment.

Through the diversified conglomerate, Ly Hour Group has continued to contribute to the economic growth of Cambodia. Evidently, Neak Oknha Ly Hour has received numerous recognition, awards and medals for his contributions.



Mr. Makoto Miyazaki

Member of Board of Directors

Mr. Makoto Miyazaki brings some twenty years of senior management experience at SBI Holdings Inc. and its group companies, where he is currently Executive Officer at SBI Holdings Inc. and is responsible for the Overseas Business Administration Department. Other senior positions include director, non-executive director, chairman, and president for various Group companies. He also holds board positions across certain group and investment portfolio companies.

Mr. Makoto Miyazaki started his career with SBI Holdings as Chief Representative of the Beijing Representative Office from 2005 through 2012. He was then appointed Executive Officer to head the Overseas Business Administrative Department (“OBAD”) of SBI Holdings, where he is presently appointed. The OBAD is charged with managing the development of the Group’s affiliated companies across various businesses lines, including fund management, corporate venture capital, and asset management in non-Japan markets including Germany, Hong Kong, Malaysia, People’s Republic of China, Singapore, South Korea, Thailand, United States, and Vietnam.

Mr. Miyazaki is an alumni of Western Oregon University, USA (formerly, Western Oregon State College), where he obtained his Bachelor’s Degree in Business.



Oknha Ly Sopheark

Member of Board of Directors

Oknha Ly Sopheark, Cambodian, born in 1978 from Kompong Cham Province.

Oknha Ly Sopheark is a dynamic and charismatic businessman with more than 10 years of professional experiences in the Kingdom of Cambodia. He has been expanding his business through various kinds of investments in many different sectors significantly in the construction as well as the financial sectors. He has been devoting substantial efforts in strengthening private sectors by enabling steady and sustainable growth of local investment in the Kingdom of Cambodia.

Oknha Ly Sopheark has been appointed as Vice President of Ly Hour Group in 2004, a member of Board of Directors of Ly Hour Microfinance Institution Plc., since 2012 and also has served as the Chairman of Ly Hour Leasing Plc., since 2015.



Mr. Shuzo Shikata

Member of Board of Directors

Mr. Shuzo Shikata has been appointed as Board Member and Executive Director of SBI LY HOUR Bank. He is a shareholder's representative of SBI Holdings, Inc., Tokyo, Japan. Currently, he also serves as Vice Chairman of Tien Phong Commercial Bank in Hanoi, Vietnam. Mr. Shikata worked at MUFG Bank in Tokyo before he took his roles in Cambodia and Vietnam. As a leading expert in the field of corporate and investment banking, he has made very important contributions to strengthen good governance and management transparency of SBI LY HOUR Bank. With his modern and diversified managerial experience at foreign banks, he and SBI Holdings, Inc., are supporting SBI LY HOUR Bank in building and implementing its corporate strategy.

Mr. Shikata earned his Bachelor Degree of Economics from Ritsumeikan University, Japan.



Mr. Eiichiro So

Member of Board of Directors

Mr. Eiichiro So joined the Board member in December 2019. He has been with SBI Group over 15 years and currently he is Co-CEO, Senior Executive Vice President of SBI Investment Korea Co., Ltd., which is a listed venture capital firm in KOSDAQ (Korean Securities Dealers Automated Quotations), Chairman of SBI Royal Securities Plc., Director of Tien Phong Commercial Joint Stock Bank (Vietnam), and Director of SBI Thai Online Securities Co., Ltd. (Thailand).

His more than 20 years of experiences in investment banking and private equity, especially experiences in emerging markets (South Korea, Singapore, Vietnam, and Cambodia), with a focus on financial sector (bank, securities, and private equity) have been contributed to the business development and managerial expertise of the bank.

Previously, he was Vice President of Sumitomo Mitsui Banking Corporation, Director of Phnom Penh Commercial Bank, Executive Director of SBI Ven Capital Pte. Ltd (Singapore), and Director of FPT Securities (Vietnam).

Mr. So holds MBA from Hitotsubashi University, Graduate School of International Corporate Strategy (Japan) and a Bachelor of Accounting Department, Faculty of Commerce, Chuo University (Japan).



Mr. Khek Ravy

Independent Director

Mr. Khek Ravy has been appointed as Independent Director on the board of SBI LY HOUR Bank Plc.

At present, he is a Partner at DBLS Law Firm and is the chairman of RGL Equity (Siemreap) Co. Ltd., an associate property development company with Goodland Group (listed on SGX-ST).

He was formerly a Deputy Minister (1998 to 2004) at the Ministry of Commerce, Royal Government of Cambodia.

He was elected President in FFC (Football Federation of Cambodia). During that period, he also served as a member of appeal committee of FIFA (Federation International de Football Association).

Between 1985 and 2019, Mr. Khek held important positions including Owner, Chairman, Director, and Non-Executive Director, at various companies in France, Singapore and Cambodia.



Mr. Kernem Vidano

Independent Director

Mr. Kernem Vidano was born in Phnom Penh but left early to France where he spent more than two decades, ultimately earning three different degrees in Political Sciences, Economy, Finance and Business.

He came back to Cambodia in the mid 90's with the ambition to help rebuild the country and after few years with an international audit firm he spent the next twenty years in different executive positions such as Secretary General, Finance Director, Supply Chain Director and Production Director, contributing to transform an European Union funded project into a social business employing more than 1200 Cambodians and a leader in its field.

SENIOR MANAGEMENT



Mr. Uth Soeurng Chief Executive Officer

Mr. Uth Soeurng, from Kampong Thom Province. He spent more than 10 years of services in several senior management functions in different business entities both in commercial banks and microfinance institutions such as Prasac MFI Ltd., Hattha Kasekar Ltd., and ANZ Royal Bank (Cambodia) Ltd. He has proven skills in leasing, commercial & corporate lending, portfolio management, credit & risk management, finance, IT & MIS, and electronic banking. During his time with ANZ Royal, he won the 1st Corporate Sales Awards in 2009 during the global financial crisis, and

held a Credit Approval Discretion (CAD) of up to USD 2 million while exercising his commercial CAD as Credit Risk Manager in late 2010. Prior to moving to Ly Hour Microfinance Institution Plc., he successfully lead the ATM & Mobile Banking project at Hattha Kaksekar Limited using the newest technology. He has led Ly Hour Microfinance Institution to stand strong in top ten of Cambodia's leading Microfinance Institution after 12 months of operation. Recently, he initiated two remarkable projects inclusive of Ly Hour Leasing and Ly Hour Pay Pro Plc., to be officially launched and become recognized rapidly by the public. More significantly, he is the task force team leader in transforming LY HOUR Microfinance Institution Plc., to be a Commercial Bank.

In term of education, he obtained a Master's Degree majored in Accounting & Finance in 2002 from a French School in Vietnam (CFVG) and is currently pursuing qualifications as a Charter Financial Analyst (CFA).



Mr. Mao Polo Deputy CEO

Mr. Mao Polo, from Kandal province. He got more than 20-years experiences in administrative management, accounting, finance, credit portfolio and risk management across international non-governmental organizations and also in banking sectors. Prior to this, he was a Credit Risk Manager with ANZ Royal Bank (Cambodia) Limited where he held the Credit Approval Discretion – CAD to approve loan request for a single customer up to USD 2 Million before promoting to Head of Retail Lending

where he looked after the whole retail lending portfolio including SMEs & Home Loans.

He was a scholarship student from National University of Management. He graduated his Bachelor of Business Administration (BBA), majored in Accounting and Finance in 1999. Then in 2004, he obtained a Master of Business Administration (MBA), majored in General Management from Preston University, United State of America.



Mr. Loy Sareth, ACMA, CGMA
Chief Business Officer

Mr. Loy Sareth, from Battambang province. He has more than 15 years of experience in banking and financial services. Before re-employing by SBI LY HOUR Bank Plc, he used to work in several senior executive roles in Cambodia Post Bank Plc, ANZ Royal Bank, AMRET Microfinance Institution, and UNDP.

Currently, he is studying final level (3) of the Chartered Banker (CB) from the chartered banker Institute (CBI) and Asian Institute of Chartered Banker (AICB).

He is a CIMA member and a Chartered Global Management Accountant (CGMA) from Chartered Institute of Management Accountant (CIMA), UK. And he is also a CMA member and a Certified Management Accountant, AMA, from Australia.

Furthermore, he holds an MBA in Financial Management from Royal University of Law and Economic (RULE) and a BA of accounting from Maharishi Vedic University.



Mr. Phat Reatana
Chief of Internal Audit Officer

Mr. Phat Reatana, from Siem Reap province. He has more than 20 years' experience in Microfinance Activities in one accredited MFI in Cambodia in various positions such as an Internal Auditor, then was promoted as Head of Internal Audit in May 1999, appointed as Head of Risk Management and Compliance in May 2010. During this period, Reatana did very great achievement to set up an Internal Audit Function and Risk Management Function in Institution.

He graduated with a Bachelor's of Business Administration in Accounting from the National University of Management in Cambodia and obtained a Masters of Business Administration in field of Finance at Charles Stuart University, Australia.



Mr. Lon Leang Eng
Chief Financial Officer

Mr. Long Leang Eng, from Phnom Penh. He had more than 10 years of experience in treasury management, budgeting, and financial projection for Microfinance Institution Amret. During his tenure in Amret, he had established treasury management function, asset and liability management modelling, budgeting and financial projection process, negotiate with both local and offshore lenders, prepare analysis financial reports for board and management. In addition, he also joined a member of borrowing committee, ALCO committee, high performing staff program coaching team, financial products/services development team, Service Level Agreement (SLA) task force team, financial risk advisory sub-committee, business community sub-committee, and process improvement (Kaizen). Prior to working for Amret, he had 8 years of experience in accounting and financial careers with local and international companies.

He obtained a Master Degree of Finance from National University of Management in 2008 and also obtained a Bachelor of Accounting from National Institute of Management in 2002. He was recruited as Chief Financial Officer in Jan 2018.



Mr. Chap Chamnap
Chief of Information Technology

Mr. Chap Chamnap, from Phnom Penh. He has over 15 years in information technology for financial institution and banking industry. His experience is related to various parts within information technology including IT infrastructure, software development, project management, core banking system and mobile banking system. His key competencies the project implementation and leadership.

Mr. Chap Chamnap holds a Master Degree of Computer Science and two bachelor degrees in Computer Science and Accounting.



Mr. Aing Bunseng
Chief of Staff

Mr. Aing Bunseng has more than 15 years of experience with leading financial Institutions in Cambodia. Prior to joining SBI LY HOUR Bank, he held numerous senior HR leadership roles at Sathapana Bank, Amret MFI, ANZ Royal Bank, HKL Limited and Prasac MFI. He got a Master Degree of Business Management from Institute of Business Education in 2009 and also obtained a Bachelor Degree of Finance and Banking from Institute of Technology and Management in 2004.



Mr. Ros Sokha
Senior Adviser, Digital Financial Service,
Banking Operation And Technology

Mr. ROS Sokha has over 20 years of banking experiences. Mr. Ros Sokha started his banking career at Union Commercial Bank running Visa Card Center implementing the first EMV (Europay, MasterCard and Visa) Platinum Card in the country. He later joined ANZ Royal in 2005 where he worked with regional project team to rollout electronic banking regional agenda transforming and modernizing the banking landscape. He was later seconded to ANZ Laos for cards and electronic banking transformation. He led and drove cards and digital banking at Foreign Trade Bank of Cambodia prior to joining Sathapana Bank as Chief Digital Officer where he drove and led an aggressive transformation digital and card agenda.

Mr. Ros Sokha graduated an MBA from Asian Institute of Technology, Thailand and Audencia Business School in France in 1999.



Oknha Ly Sopheap
Deputy Chief Operating Officer

Oknha Ly Sopheap, from Kampong Cham province. He has various experiences on the leader roles such as Chairman of Ly Hour Paypro Plc., since 2016. At the same time, Oknha. Ly Sopheap has been appointed by Oknha Ly Hour, the owner of Ly Hour Exchange & Jewelry Co., Ltd as Chief Executive Officer of Jewelry Co., Ltd. (Rattanak Alangka) since 2007. He also owns number of businesses such as IKVM Distribution Co., Ltd., Food Distribution in 2008, and IG Consultant Co., Ltd., HR Company in 2009.

Oknha Ly Sopheap holds a Diploma of Accounting in 1999 from Singapore. He also obtained a bachelor degree (Honor) in multi-media design from Huddersfield University of Manchester, UK in 2004.



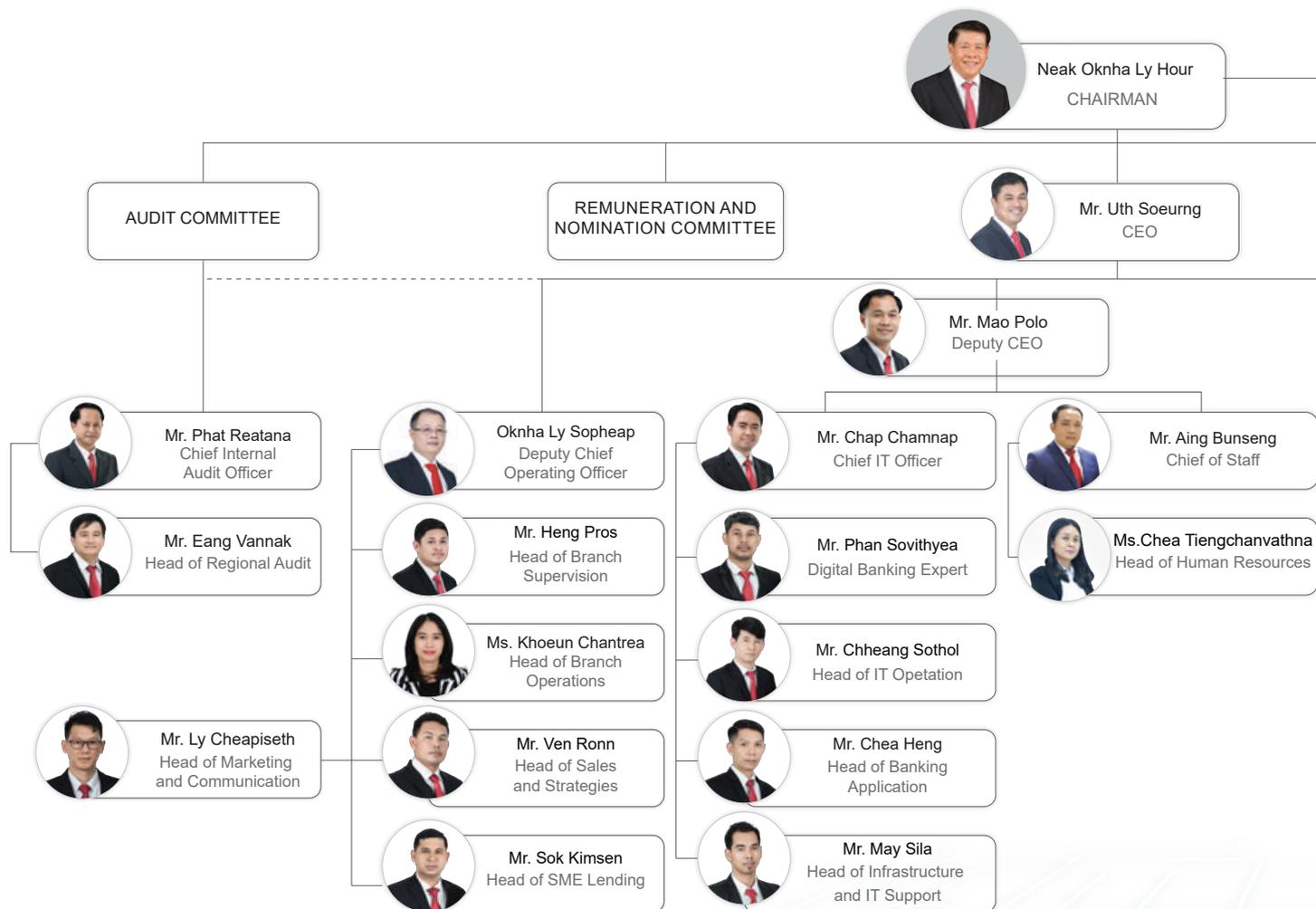
Mr. Aing Sovannra
Deputy Chief Risk Officer

Mr. Aing Sovannra was born in 1982 in Phnom Penh. He has extensive experience in the financial service industry – spanning across multiple functions such as Risk, Compliance, Operations, and Customer Experience. His latest position was leading the Risk and Compliance function at AIA Cambodia PLC since February 2018. Before that, he also headed the Risk and Compliance Department at Hong Leong Bank Cambodia PLC, after leading the Branch Operations, Banking Strategy, and Organization and Methods there since 2013.

Earlier in his career, he led the economic research project for the World Bank and a number of other international institutions. Later on when he first entered the corporate world, he joined Cellcard who was then the biggest telecom company in Cambodia, leading the customer research and customer loyalty programs there.

Mr. Aing Sovannra earned triple Master degrees – one in Infrastructure Engineering from Gembloux Agro-Bio Tech University in Belgium in 2005, another one in Business Administration from RULE in 2007, and the last one in International Management from Audencia Business School in Nantes, France, in 2007.

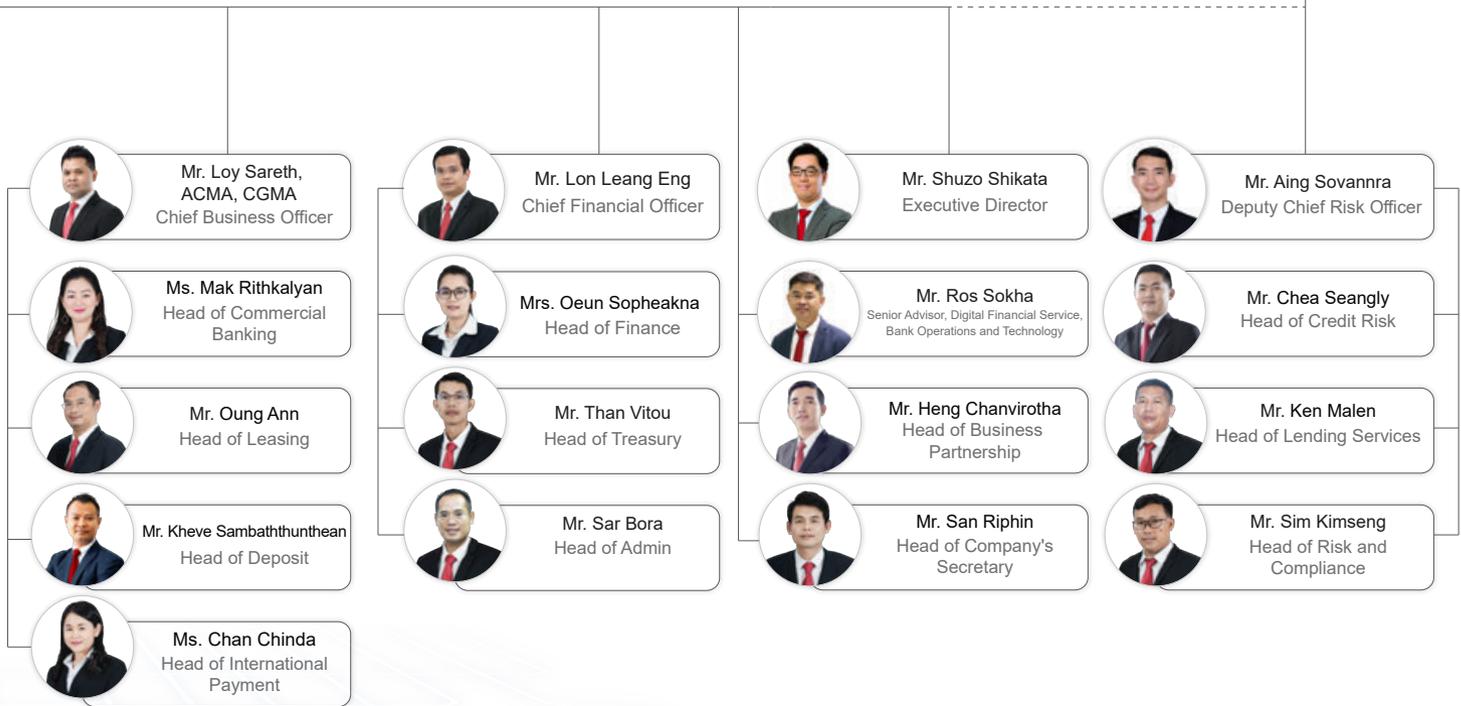
ORGANIZATIONAL CHART





Mrs. Sok Sophorn
Assistant to Chairman

**RISK OVERSIGHT
COMMITTEE**



RISK MANAGEMENT

Risk management plays a very significant part within SBI LY HOUR Bank Plc., in which the management team is focusing and prioritizing because it's a catalyst that helps bring the whole institution towards success as well as maintain its long term sustainability. Therefore, in order to ensure that there is an effective and efficient risk management, SBI LY HOUR Bank Plc uses a key principle to early prevent any unexpected risk from happening.

Technically, to ensure the best practice of risk management framework in place, SBI LY HOUR Bank Plc has determined a clear scope of works and responsibilities; and segregated it into 3 core functional lines as below:

(1) Business function: 1st level of risk control consists of auto-controls within the business hierarchy.



(2) Risk function: 2nd level of risk control via field inspectors and risk analysts by Risk & Compliance Department, who are deployed throughout the organization and

(3) Audit function: 3rd level is constituted by the all-encompassing control mandate of the Internal Audit.

It means that each individual function is independently performing their duties and also accountable for what they have done. Currently, SBI LY HOUR Bank Plc is working on an establishment of some risk management policy including operational risk, financial risk as well as credit risk. In addition to this, to ensure that there is a systematic approach to manage risk and assist the management team to find proper solutions in a timely manner, SBI LY HOUR Bank Plc also introduces 4 critical processes to be followed within the institution such as identify /categorize risk, assess risk, manage risk and monitor risk. Ideally, Risk Department plays an active part in identifying any possible risk involving with staff's implementation as well as processes and procedures of other relevant departments. After risk is identified then assessment will also be made to understand its possibility to incur as well as any impacts that may have. Practically, it requires all the risk including its risk level to be registered into a risk registered tool for a tracking purpose.

SBI LY HOUR Bank Plc, more importantly, develops an appropriate approach / strategy to resolve and/or reduce such an impact for instance mitigating the risk, reducing the risk, transferring the risk or transforming the risk. Last but not least, SBI LY HOUR Bank Plc will strictly monitor all the risk to ensure that they have been properly managed and resolved in an effective way and to some



extends new action plans should be taken into account should the risk is still at a high attention.

Last but not least, Credit Risk is one of the potential risk among others which it could have a big negative impact to the institution's performance in a long term operation and it could block the institution to meet their growth plan too in an effective way. Therefore, in order to make sure that the institution is running smoothly and well-managed of such kind of risk in a long term operation,

Risk Management Committee with a strong support from Risk Oversight Committee has also put their attention to it. Technically, risk appetites have clearly been defined for the business especially product limits, product parameters and product criteria and features so that all the staff are clear with it and easy to implement.

Moreover, these have also been revisited and reviewed regularly to ensure that what have been set for are still reflected to a real circumstance of country situation and economy.

HUMAN RESOURCES

SBI LY HOUR Bank Plc is the newly converted commercial bank during the period in which all financial institutions in the globe challenge with the pandemic of COVID-19. The bank focused on driving performance based culture, quality and continue improvement. We value diversities and offer every single one of our people the equal opportunities to continuously pursue the higher responsibilities, and we proud of having our folks well developed and have been progressively growing from junior roles during microfinance period up to Senior Managers and Department Heads currently.

At SBI LY HOUR Bank Plc, our employees are our valuable assets and concrete pillars supporting and driving our success of banking business today. We value the diversity within our workforce, and are developing the capabilities of our employees to enable us to better connect with targeted customers and successfully deliver our banking products and services. We are focusing on driving performance, continuous improvement and quality of services delivery.

In late December 2020, the number of employees had increased from 597 in 2019 to 1,157 (314 as female employees). The number of new employees we hired was around 730 people. The majority of positions recruited were still focused on front line positions, both to increase the number of existing employees or to replace employees who resigned or had stopped working for SBI LY HOUR Bank Plc.

The division of Human Resources focused on process re-engineering, quality of services delivery, strategic resources planning, development and deployment to ensure that the resources management and development continuity process go smoothly to strongly support business operations.

Supporting our human capacity building, we provided learning and development opportunities to support every stage of the development journey for new and existing employees starting from junior to senior leaders of our business through our comprehensive training programs. Our approach is to developing our employees combined with on-the-job experiences, induction, learning through others and formal internal and external training programs, including offshore training programs. We facilitated and conducted the induction program, internal training, Online learning and other skill development programs for 2,956 employees in 2020.

Continued investment in our people is a key priority for us.

PRODUCTS AND SERVICES



Nano Loan

- Loan term : 24 months
- Interest rate : 1.45% - 1.5%
- Loan size : up to 6,000,000 Riel
- No collateral required
- Personal accident insurance USD 10,000



Micro

- Loan term : 96 months
- Interest rate : 1.18% - 1.5%
- Loan size : USD 500 to USD 10,000 (or equivalence to other currency)



Small Loan

- Term : 120 months
- Interest rate : 0.87% to 1.3%
- Loan Size : USD 10,001 to USD 50,000 (or equivalence to other currency)



SME Loan

- Loan Term : 120 months
- Interest Rate : 0.75% to 1.10%
- Loan Size : up to USD 200,000 (or equivalent currency KHR)



Housing Loan

- Term : 20 years
- Loan Size : 80% of the House's price



Commercial Loan

- Term : 120 months
- Loan Size > USD 200,000.00 (or equivalence to other currency)

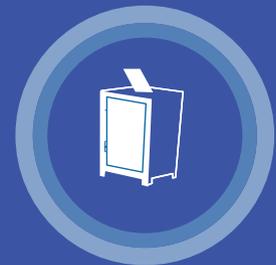


FIXED TERM DEPOSIT



- Saving Account*
- Current Account*
- Premier Account*
- Growing Plan Account*
- Future Plan Account*

SAVING







Financial Report

Report of the Board of Directors _____	31
Report of the Independent Auditors _____	35
Statement of Financial Position _____	37
Statement of Profit or Loss and Other Comprehensive Income _____	38
Statement of Changes in Equity _____	39
Statement of Cash Flows _____	41

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors has pleasure in submitting their report together with the audited financial statements of SBI LY HOUR BANK PLC. (formerly known as LY HOUR MICROFINANCE INSTITUTION PLC.) (“the Bank”) for the year ended 31 December 2020.

Principal activities

SBI LY HOUR BANK PLC. (formerly known as LY HOUR MICROFINANCE INSTITUTION PLC.) (the Bank) was incorporated as public limited company in the Kingdom of Cambodia under the Registration number 00001313 dated 6 August 2012 from the Ministry of Commerce (“MOC”). On 2 October 2012, the Bank obtained license from the National Bank of Cambodia (“the Central Bank”) to operate as a micro-finance institution.

The Bank received the license from National Bank of Cambodia to operate as commercial bank on 23 March 2020.

The Bank’s objective is to provide in any or all commercial banking business to individuals, SMEs, companies and corporations in general as a contribution to socio-economic development in Cambodia and elsewhere as conducted by all commercial banks internationally. The aim is to help Cambodia, Cambodian businesses and people to improve the living standard and grow the business by providing highly professional, technologically advanced banking services and affordable financing.

SBI LY HOUR BANK PLC has the following major business activities:

- a. Transaction of banking activities through the provision of banking services; and
- b. Other business activities deemed appropriate for the Bank and in accordance with the regulations of the National Bank of Cambodia.

Financial results

The financial results of the Bank for the year ended 31 December 2020 were as follows:

	2020		2019	
	US\$	KHR'000	US\$	KHR'000
(Loss)/Profit before income tax	(995,544)	(4,058,832)	2,885,290	11,691,195
Income tax benefit/(expense)	<u>213,199</u>	<u>869,212</u>	<u>(620,892)</u>	<u>(2,515,854)</u>
Net (Loss)/Profit for the year	<u>(782,345)</u>	<u>(3,189,620)</u>	<u>2,264,398</u>	<u>9,175,341</u>

Dividends

No dividend was declared or paid and the Board of Directors does not recommend any dividend to be paid for the period under audit.

Share capital

The change in share capital and shareholding structure is disclosed in Note 19 to the financial statements.

Reserves and provisions

There were no other movements to or from reserves and provisions during the financial period other than those disclosed in the financial statements.

Loans and advances

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

At the date of this report, the Board of Directors are not aware of any circumstances, which would render the amount written off for bad loans and advances, or the amount of allowance for losses on loans and advances in the financial statements of the Bank, inadequate to any material extent.

Assets

Before the financial statements of the Bank were prepared, the Board of Directors took reasonable steps to ensure that

any assets, other than debts, which were unlikely to be realised in the ordinary course of business at their value as shown in the accounting records of the Bank had been written down to an amount which they might be expected to realise.

At the date of this report, the management is not aware of any circumstances, which would render the values attributed to the assets in the financial statements of the Bank misleading.

Valuation methods

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

Contingent and other liabilities

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

- (a) any charge on the assets of the Bank which has arisen since the end of the financial period which secures the liabilities of any other person, or
- (b) any contingent liability in respect of the Bank that has arisen since the end of the financial period other than in the ordinary course of Banking business.

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

REPORT OF THE BOARD OF DIRECTORS (continued)

Change of circumstances

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

Items of unusual nature

The results of the operations of the Bank for the financial period were not, in the opinion of the Management, substantially affected by any item, transaction or event of a material and unusual nature. There has not arisen in the interval between the end of the 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 Board of Directors, to affect substantially the results of the operations of the Bank for the current year in which this report is made, except for the outbreak of the Novel Coronavirus (Covid-19).

Coronavirus and impact on ECL

The ECL was estimated based on a range of forecast economic conditions as at reporting date. The Novel Coronavirus (Covid-19) outbreak has spread across mainland China, Cambodia and beyond, causing disruption to business and economic activity. The impact on GDP and other key indicators has been considered when determining the severity and likelihood of downside economic scenarios that are used to estimate ECL in which the calculation of the ECL in this current environment is subject to significant uncertainty. Management provides its best estimate on the possible outcomes of Covid-19 on the Bank, however, this estimate may move materially as events unfold.

Board of Directors

The directors who served during the period and at the date of this report are:

Neak Oknha Ly Hour _____ Chairman
Oknha Ly Sopheark _____ Member

Mr. Makoto Miyazaki _____ Member
Mr. Eiichiro So _____ Member
Mr. Shuzo Shikata _____ Member
Mr. Chiang Huat Michael Goh _____ Independent member
(Resigned on 22 Dec 2020)
Mr. Khék Ravy _____ Independent member
Mr. Kernem Vidano _____ Independent member
(Appointed on 13 July 2020)

Board of Directors' interests

The Board of Director member who held office at the end of the financial period and had interests in the shares of the Bank:

	31 December 2020	31 December 2019
	US\$	US\$
Neak Oknha Ly Hour	22,500,000	16,402,071

Board of Directors' benefits

During and at the end of the financial year, no arrangements existed to which the Bank is a party with the object of enabling Board of Directors of the Bank to acquire benefits by means of the acquisition of shares in or debentures of the Bank or any other body corporate.

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

The Board of Directors' responsibility in respect of the financial statements

The Board of Directors is responsible for ascertaining that the financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2020, and its financial performance and its cash flows for the year then ended. In preparing these financial statements, the Board of Directors is required to:

- (i) adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- (ii) comply with Cambodian International Financial Reporting Standards ("CIFRSs") 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) oversee the Bank's financial reporting process and maintain adequate accounting records and an effective system of internal controls;
- (iv) assess the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so; and
- (v) control and direct effectively the Bank in all material decisions affecting the operations and performance and ascertain that such have been properly reflected in the financial statements.

The Board of Directors confirms that they have complied with the above requirements in preparing the financial statements.

Approval of the financial statements

We hereby approve the accompanying financial statements together with the notes thereto as set out on pages 9 to 87 which, in our opinion, present fairly, in all material respects, the financial position of the Bank as at 31 December 2020, and its financial performance and its cash flows for the year then ended, in accordance with Cambodian International Financial Reporting Standards ("CIFRSs").

Signed on behalf of the Board of Directors,



Neak Oknha Ly Hour

Chairman

Phnom Penh, Kingdom of Cambodia

Date: 29 March 2021

REPORT OF THE INDEPENDENT AUDITORS

To the shareholders of SBI LY HOUR BANK PLC. (formerly known as LY HOUR MICROFINANCE INSTITUTION PLC.)

Opinion

We have audited the financial statements of SBI LY HOUR BANK PLC. (formerly known as LY HOUR MICROFINANCE INSTITUTION PLC.) (“the Bank”), which comprise the statement of financial position as at 31 December 2020, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information as set out on pages 9 to 87 (hereafter referred to as “the financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2020, and its financial performance and its cash flows for the year ended in accordance with Cambodian International Financial Reporting Standards (“CIFRSs”).

Basis for Opinion

We conducted our audit in accordance with Cambodian International Standards on Auditing (“CISAs”). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the financial statements section of our report. We are independent of the Bank 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the report of the Board of Directors on pages 1 to 5, and the annual report,

which is expected to be made available to us after that date. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of Management and Those Charged with Governance for the financial statements

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

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

Those charged with governance are responsible for overseeing the Bank’s financial reporting process.

Auditors' Responsibilities for the Audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 CISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the

audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

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

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

For **KPMG Cambodia Ltd**



Guek Teav
Partner

Phnom Penh, Kingdom of Cambodia

Date: 29 March 2021

STATEMENT OF FINANCIAL POSITION

as at 31 December 2020

	31 December 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000
ASSETS				
Cash and cash equivalents	14,983,257	60,607,274	49,243,442	200,667,026
Statutory deposits	12,774,364	51,672,302	800,000	3,260,000
Loans to customers	195,293,312	789,961,447	97,397,402	396,894,413
Other assets	962,743	3,894,296	222,236	905,611
Intangible assets	2,536,712	10,261,000	151,670	618,055
Property and equipment	5,603,929	22,667,893	934,543	3,808,263
Right-of-use assets	11,166,010	45,166,510	4,219,502	17,194,471
Deferred tax assets – net	463,948	1,876,670	250,749	1,021,802
TOTAL ASSETS	243,784,275	986,107,392	153,219,544	624,369,641
LIABILITIES AND SHAREHOLDERS' EQUITY				
Liabilities				
Deposits from customers	119,534,184	483,515,774	-	-
Borrowings	36,957,017	149,491,134	76,703,823	312,568,079
Lease liabilities	11,036,831	44,643,981	4,130,585	16,832,134
Provision for employee benefits	94,010	380,270	93,914	382,700
Other liabilities	252,723	1,022,265	1,256,471	5,120,118
Minimum tax liability	24,509	99,139	-	-
Current income tax liability	-	-	465,334	1,896,236
Total liabilities	167,899,274	679,152,563	82,650,127	336,799,267
Shareholders' equity				
Share capital	75,000,000	303,053,935	68,902,071	278,357,323
Legal reserves	113,220	458,767	113,220	458,767
Regulatory reserves	3,048,696	12,386,216	1,411,598	5,711,767
(Accumulated losses)/ Retained earnings	(2,276,915)	(9,309,850)	142,528	554,219
Currency translation reserves	-	365,761	-	2,488,298
Total shareholder's equity	75,885,001	306,954,829	70,569,417	287,570,374
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	243,784,275	986,107,392	153,219,544	624,369,641

***The accompanying notes form an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2020*

	2020		2019	
	US\$	KHR'000	US\$	KHR'000
Operating income				
Interest income	18,601,675	75,839,029	15,234,573	61,730,490
Interest expense	<u>(6,450,718)</u>	<u>(26,299,577)</u>	<u>(6,273,580)</u>	<u>(25,420,546)</u>
Net interest income	12,150,957	49,539,452	8,960,993	36,309,944
Net fee and commission income	340,914	1,389,907	342,105	1,386,209
Other income	<u>314,538</u>	<u>1,282,371</u>	<u>701,361</u>	<u>2,841,915</u>
Total operating profit	<u>12,806,409</u>	<u>52,211,730</u>	<u>10,004,459</u>	<u>40,538,068</u>
Personnel expenses	(7,318,178)	(29,836,212)	(4,059,991)	(16,451,084)
Other operating expenses	(5,469,017)	(22,297,182)	(3,053,329)	(12,372,089)
Minimum tax expense	<u>(193,370)</u>	<u>(788,369)</u>	-	-
Total operating expenses	<u>(12,980,565)</u>	<u>(52,921,763)</u>	<u>(7,113,320)</u>	<u>(28,823,173)</u>
(Loss)/profit before impairment losses on financial instruments	(174,156)	(710,033)	2,891,139	11,714,895
Impairment losses on financial instruments	<u>(821,388)</u>	<u>(3,348,799)</u>	<u>(5,849)</u>	<u>(23,700)</u>
(Loss)/profit before income tax	(995,544)	(4,058,832)	2,885,290	11,691,195
Income tax benefit/(expense)	<u>213,199</u>	<u>869,212</u>	<u>(620,892)</u>	<u>(2,515,854)</u>
Net (loss)/profit for the year	<u>(782,345)</u>	<u>(3,189,620)</u>	<u>2,264,398</u>	<u>9,175,341</u>
Other comprehensive income				
Currency translation differences	-	(2,122,537)	-	2,328,365
Total comprehensive (loss)/income for the year	<u>(782,345)</u>	<u>(5,312,157)</u>	<u>2,264,398</u>	<u>11,503,706</u>

***The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2020

	Share capital		Legal reserves	
	US\$	KHR'000	US\$	KHR'000
At 1 January 2019	<u>16,000,000</u>	<u>64,000,000</u>	<u>267,012</u>	<u>1,080,064</u>
Transaction with the owners of the Bank				
Issuance of share capital	47,561,835	192,720,555	-	-
Transfers from retained earnings to share capital	<u>5,340,236</u>	<u>21,636,768</u>	<u>(267,012)</u>	<u>(1,080,064)</u>
	<u>68,902,071</u>	<u>278,357,323</u>	-	-
Transactions recognised directly in equity				
Transfers from retained earnings to legal reserve	-	-	113,220	458,767
Transfers from retained earnings to regulatory reserves	-	-	-	-
Total comprehensive income				
Net profit for the year	-	-	-	-
Currency translation differences	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2019	<u>68,902,071</u>	<u>278,357,323</u>	<u>113,220</u>	<u>458,767</u>
At 1 January 2020	<u>68,902,071</u>	<u>278,357,323</u>	<u>113,220</u>	<u>458,767</u>
Transaction with the owners of the Bank				
Issuance of share capital	<u>6,097,929</u>	<u>24,696,612</u>	-	-
	<u>75,000,000</u>	<u>303,053,935</u>	<u>113,220</u>	<u>458,767</u>
Transactions recognised directly in equity				
Transfers from retained earnings to regulatory reserves	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income				
Net loss for the year	-	-	-	-
Currency translation differences	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2020	<u>75,000,000</u>	<u>303,053,935</u>	<u>113,220</u>	<u>458,767</u>

***The accompanying notes form an integral part of these financial statements.

Regulatory reserves		(Accumulated losses)/ Retained earnings		Currency translation reserves		Total	
US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
<u>1,146,843</u>	<u>4,638,980</u>	<u>3,329,329</u>	<u>13,467,136</u>	-	<u>159,933</u>	<u>20,743,184</u>	<u>83,346,113</u>
-	-	-	-	-	-	47,561,835	192,720,555
-	-	<u>(5,073,224)</u>	<u>(20,556,704)</u>	-	-	-	-
<u>1,146,843</u>	<u>4,638,980</u>	<u>(1,743,895)</u>	<u>(7,089,568)</u>	-	<u>159,933</u>	<u>68,305,019</u>	<u>276,066,668</u>
-	-	(113,220)	(458,767)	-	-	-	-
264,755	1,072,787	(264,755)	(1,072,787)	-	-	-	-
-	-	2,264,398	9,175,341	-	-	2,264,398	9,175,341
-	-	-	-	-	<u>2,328,365</u>	-	<u>2,328,365</u>
-	-	<u>2,264,398</u>	<u>9,175,341</u>	-	<u>2,328,365</u>	<u>2,264,398</u>	<u>11,503,706</u>
<u>1,411,598</u>	<u>5,711,767</u>	<u>142,528</u>	<u>554,219</u>	-	<u>2,488,298</u>	<u>70,569,417</u>	<u>287,570,374</u>
<u>1,411,598</u>	<u>5,711,767</u>	<u>142,528</u>	<u>554,219</u>	-	<u>2,488,298</u>	<u>70,569,417</u>	<u>287,570,374</u>
-	-	-	-	-	-	6,097,929	24,696,612
<u>1,411,598</u>	<u>5,711,767</u>	<u>142,528</u>	<u>554,219</u>	-	<u>2,488,298</u>	<u>76,667,346</u>	<u>312,266,986</u>
<u>1,637,098</u>	<u>6,674,449</u>	<u>(1,637,098)</u>	<u>(6,674,449)</u>	-	-	-	-
-	-	(782,345)	(3,189,620)	-	-	(782,345)	(3,189,620)
-	-	-	-	-	<u>(2,122,537)</u>	-	<u>(2,122,537)</u>
-	-	<u>(782,345)</u>	<u>(3,189,620)</u>	-	<u>(2,122,537)</u>	<u>(782,345)</u>	<u>(5,312,157)</u>
<u>3,048,696</u>	<u>12,386,216</u>	<u>(2,276,915)</u>	<u>(9,309,850)</u>	-	<u>365,761</u>	<u>75,885,001</u>	<u>306,954,829</u>

STATEMENT OF CASH FLOWS

for the year ended 31 December 2020

	2020		2019	
	US\$	KHR'000	US\$	KHR'000
Cash flows from operating activities				
Net (loss)/profit for the year	(782,345)	(3,189,620)	2,264,398	9,175,341
<i>Adjustment for:</i>				
Income tax(benefit)/ expense	(213,199)	(869,212)	620,892	2,515,854
Minimum tax expense	193,370	788,369	-	-
Depreciation and amortisation	1,690,374	6,891,654	957,657	3,880,426
Property and equipment written off	-	-	145	588
Provision for employee benefits	315,121	1,284,748	124,623	504,972
Net interest income	(12,150,957)	(49,539,452)	(8,960,993)	(36,309,944)
Impairment losses on financial instruments	821,388	3,348,799	5,849	23,700
	(10,126,248)	(41,284,714)	(4,987,429)	(20,209,063)
<i>Changes in:</i>				
Loans to customers	(98,116,208)	(400,019,780)	(21,356,050)	(86,534,715)
Deposits from customers	118,725,199	484,042,636	-	-
Other assets	(1,331,814)	(5,429,806)	(206,959)	(838,598)
Other liabilities	(1,003,748)	(4,092,281)	109,319	442,961
Cash generated from/ (used in) operations	8,147,181	33,216,055	(26,441,119)	(107,139,415)
Payment of employee benefits	(315,025)	(1,284,357)	(193,575)	(784,684)
Interest income received	18,058,634	73,625,051	15,234,573	61,730,490
Interest expense paid	(4,871,188)	(19,859,833)	(5,996,826)	(24,299,139)
Income tax paid	(634,195)	(2,585,613)	(586,380)	(2,376,012)
Net cash generated from/(used in) operating activities	<u>20,385,407</u>	<u>83,111,303</u>	<u>(17,983,327)</u>	<u>(72,868,760)</u>

STATEMENT OF CASH FLOWS (continued)

	2020		2019	
	US\$	KHR'000	US\$	KHR'000
Cash flows from investing activities				
Purchases of property and equipment, and intangible assets	(7,429,225)	(30,288,950)	(698,101)	(2,828,705)
Statutory capital deposit	<u>(11,974,364)</u>	<u>(48,819,482)</u>	-	-
Net cash used in investing activities	<u>(19,403,589)</u>	<u>(79,108,432)</u>	<u>(698,101)</u>	<u>(2,828,705)</u>
Cash flows from financing activities				
Proceeds from borrowings	13,465,407	54,898,464	49,395,759	200,151,615
Repayments of borrowings	(53,375,960)	(217,613,789)	(34,577,514)	(140,108,087)
Principal repayment of lease liabilities	(1,383,977)	(5,642,474)	(726,408)	(2,943,405)
Proceeds from share capital	<u>6,097,929</u>	<u>24,861,257</u>	<u>47,561,835</u>	<u>192,720,555</u>
Net cash (used in)/generated from financing activities	<u>(35,196,601)</u>	<u>(143,496,542)</u>	<u>61,653,672</u>	<u>249,820,678</u>
Net (decrease)/increase in cash and cash equivalents	<u>(34,214,783)</u>	<u>(139,493,671)</u>	<u>42,972,244</u>	<u>174,123,213</u>
Cash and cash equivalents at beginning of the year	49,247,724	200,684,475	6,275,480	25,428,245
Currency translation differences	-	(382,558)	-	1,133,017
Cash and cash equivalents at end of the year	<u>15,032,941</u>	<u>60,808,246</u>	<u>49,247,724</u>	<u>200,684,475</u>
Significant non-cash transactions:				
The significant non-cash transaction is as follows:				
Transfer from retained earnings and legal reserves to share capital	-	-	<u>5,340,236</u>	<u>21,636,768</u>

***The accompanying notes form an integral part of these financial statements.



SBI Holdings, Inc.

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Branch Networks

Standard Branch Office	_____	45
Branches	_____	47

Chroy Changva Branch





Standard Branch Office



BRANCHES

25

Provinces Nationwide

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Branches

<p> 7 Makara Branch <i>015 885 116</i> Building 219, Street128&169, Sangkat Mitterheap, Khan Prampir Meakkakra, Phnom Penh</p>	<p> Tuol Kork Branch <i>015 885 667</i> N 85-86-87-88, Kim II Sung Blvd (289), Sangkat Boeng Kak 2, Khan Tuol Kouk, Phnom Penh.</p>	<p> Chraoy Changvar Branch <i>016 888 751</i> No F06 (Borey Phnom Penh Park), National Road No 6A, Sangkat Preaek Lieb, Khan Chraoy Chongvar, Phnom Penh</p>
<p> Chamkar Mon Branch <i>015 885 124</i> Building 118, Street Preah Norodom, Sangkat Tonle Basak, Khan Chamkar Mon, Phnom Penh</p>	<p> Chhbar Ampov Branch <i>016 888 407</i> Address: Preaek Thum 2 Village, Sangkat Kbal Kaoh, Khan Chbar Ampov, Phnom Penh.</p>	<p> Chbar Ampov (2) Branch <i>015 885 172</i> No 25, National Road No 1, Phum Daeum Ampil, Sangkat Chhbar Ampov Ti Muoy, Khan Chbar Ampov, Phnom Penh.</p>
<p> Kandal Stueng District <i>016 888 297</i> National Road 3, Daeum Trang Village, Anlong Romiet Commune, Kandal Stueng District, Kandal Province.</p>	<p> Angk Snuol District Branch <i>016 888 371</i> No 18A1, Svay Chrum Village, Baek Chan Commune, Angk Snuol District, Kandal Province.</p>	<p> Krong Doun Kaev Branch <i>089 666 812</i> Phsar Ta Kao Village, Sangkat Roka Knong, Krong Doun Kaev, Takeo Province.</p>

 Bati District Branch <i>016 888 160</i> Bacham Village, Chambak Commune, Bati District, Takeo Province.	 Tram Kak District Branch <i>016 888 256</i> National Road 3, Yeay La Village, Tram Kak Commune, Tram Kak District, Takeo Province.	 Kaoh Andaet Branch <i>016 888 391</i> Romenh Khang Cheung Village, Romenh Commune, Kaoh Andaet District, Takeo Province.
 Kiri Vong District Branch <i>015 885 347</i> Kampong Village, Preah Bat Choan Chum Commune, Kiri Vong District, Takeo Province.	 Prey Kabbas District Branch <i>016 888 410</i> Phsar Chreae Village, Angkanh Commune, Prey Kabbas District, Takeo Province.	 Kampong Trach Branch <i>016 888 420</i> Kampong Trach Ti Muoy Village, Kampong Trach Khang Kaeut Commune, Kampong Trach District, Kampot Province.
 Kampong Speu Branch <i>016 888 239</i> National Road 4, Krang Pol Tep Village, Sangkat Rokar Thum, Krong Chbar Mon, Kampong Speu Province.	 Samraong Tong Branch <i>016 888 227</i> Trapeang Ampil Village, Trapeang Kong Commune, Samraong Tong District, Kampong Speu Province.	 Prey Nob District Branch <i>016 888 701</i> Samrong Kandal Village, Sangkat Samrong, Prey Nob District, Preah Sihanouk Province
 Krong Khemara Phoumin <i>016 886 313</i> Phum Ti Muoy, Sangkat Smach Mean Chey, Krong Khemara Phoumin, Koh Kong Province	 Kampong Tralach Branch <i>016 885 754</i> National Road No 5, Chrak Romiet Village, Chhuk Sa Commune, Kampong Tralach District, Kampong Chhnang Province.	 Bakan District Branch <i>016 888 411</i> National Road 5, khnach Romeas Village, Boeng Khnar Commune, Bakan District, Pursat Province.
 Battambang Branch <i>015 885 166</i> No 639, National Road 5, Rumchek 4 Village, Sangkat Rottanak, Krong Battambang, Battambang Province.	 Moung Ruessei Branch <i>016 888 362</i> National Road 5, Kansai Banteay Village, Moung Commune, Moung Ruessei District, Battambang Province.	 Bavel District Branch <i>016 885 229</i> Spean Kondaol Village, Bavel Commune, Bavel District, Battambang Province.
 Rotonak Mondol Branch <i>016 886 254</i> Banang Village, Sdau Commune, Rotonak Mondol District, Battambang Province.	 Phnum Proek Branch <i>016 886 228</i> Phnom Touch Village, Pech Chenda Commune, Phnom Proek District, Battambang Province.	 Krong Serei Saophoan Branch <i>016 886 243</i> Phum Buon, Songkat Preah Ponlea, Krong Serei Saophoan, Banteay Meanchey Province.
 Krong Pailin Branch <i>017 654 842</i> Ou Ta Puk Leu Village, Sangkat Pailin, Krong Pailin, Pailin Province.	 Anlong Veaeang Branch <i>016 886 285</i> Ou Chenchien Village, Anlong Veaeang Commune, Anlong Veaeang District, Oddar Meanchey Province.	 Krong Preah Vihear Branch <i>016 888 537</i> Srah Chhuk Village, Sangkat Kampong Pranak, Krong Preah Vihear, Preah Vihear Province.
 Kampong Cham Branch <i>016 888 419</i> Boeng Snay Village, Sangkat Sambour Meas, krong Kampong Cham, Kampong Cham Province.	 Batheay District Branch <i>016 888 466</i> Ph'av Village, Ph'av Commune, Batheay District, Kampong Cham Province.	 Cheung Prey District Branch <i>016 888 692</i> National Road 7, Ta Saen Village, Soatib Commune, Cheung Prey District, Kampong Cham Province.
 Krong Stueng Saen Branch <i>016 888 067</i> Kampong Krabau Village, Sangkat Kampong Krabau, Krong Stueng Saen, Kampong Thom Province.	 Prasat Bakong Branch <i>016 888 515</i> No 60 - 61, National Road No 6A, Kouk Tnaot Village, Kandaek Commune, Prasat Bakong District, Siemreap Province.	 Kampong Trabaek Branch <i>016 888 519</i> Chambak Village, Prasat Commune, Kampong Trabaek District, Prey Veng Province.
 Svay Antor District Branch <i>015 885 474</i> Svay Antor Ti Muoy Village, Svay Antor Commune, Svay Antor District, Prey Veng Province.	 Preah Sdach District Branch <i>016 888 403</i> Prey Meas Village, Angkor Reach Commune, Preah Sdach District, Prey Veng Province.	 Pea Reang District Branch <i>016 887 122</i> Snay Pol Village, Roka Commune, Pea Reang District, Prey Veng Province.
 Krong Bavet Branch <i>016 885 112</i> National Road No 1, Bavet Leu Village, Sangkat Bavet, Krong Bavet, Svay Rieng Province.	 Tboung Khmum District Branch <i>015 888 623</i> Trapeang Ku Village, Sralab Commune, Tboung Khmum District, Tboung Khmum Province.	 Krong Kratie Branch <i>015 885 565</i> Ou Ruessei Ti Muoy Village, Sangkat Ou Ruessei, Krong Kratie, Kratie Province.
 Krong Stueng Treng Branch <i>016 888 478</i> Reacheanukoul Village, Sangkat Stung Treng, Krong Stung Treng, Stung Treng Province.	 Krong Sen Monorum Branch <i>016 888 365</i> Kandal Village, Sangkat Spean Mean Chey, Krong Saen Monorum, mondul Kiri Province	 Ratanak kiri Branch <i>016 886 308</i> Chey Chumnas Village, Sangkat Labansiek, Krong Ban Lung, Ratanak Kiri Province.



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