



គ្រឹះស្ថានមីក្រូហិរញ្ញវត្ថុ  
Microfinance Institution

**SAMAKY CAPITAL PLC.**

**ANNUAL REPORT 2023**

## Contents

<b>GENERAL INFORMATION .....</b>	<b>1</b>
<b>VISION MISSION AND VALUE .....</b>	<b>2</b>
<b>SHAREHOLDERS MESSAGE .....</b>	<b>3</b>
<b>CHAIRMAN'S MESSAGE .....</b>	<b>4</b>
<b>BOARD OF DIRECTORS.....</b>	<b>5</b>
<b>ORGANIZATION CHART .....</b>	<b>7</b>
<b>PRODUCTS AND SERVICES .....</b>	<b>8</b>
<b>ADDRESS AND CONTACT .....</b>	<b>11</b>
<b>BOARD OF DIRECTORS' REPORT.....</b>	<b>12</b>
<b>RESPONSIBILITIES OF THE DIRECTORS IN RESPECT OF THE FINANCIAL STATEMENTS.....</b>	<b>12</b>
<b>REPORT OF INDEPENDENT AUDITORS TO THE SHAREHOLDER AND BOARD OF DIRECTORS OF SAMAKY CAPITAL PLC. ....</b>	<b>14</b>
<b>RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS. ....</b>	<b>14</b>
<b>STATEMENT OF FINANCIAL POSITION .....</b>	<b>17</b>
<b>AS AT 31 DECEMBER 2023.....</b>	<b>17</b>
<b>STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023 .....</b>	<b>18</b>
<b>STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023.....</b>	<b>19</b>
<b>STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023.....</b>	<b>20</b>
<b>SIGNIFICANT ACCOUNTING POLICIES.....</b>	<b>21</b>

## **GENERAL INFORMATION**

### **Background of SAMAKY CAPITAL PLC.**

To develop the national economy requires people to have a family business or a small and medium enterprise according to the technical ability and experience of the people. As people struggled to find sources of capital to run their businesses, all shareholders began to work together to form the Capital Solidarity Capital (formerly Solidarity Microfinance Corporation Plc.). Samaky was registered with the Ministry of Commerce under the company number Co. 1051KH/2015 on 18 March 2015, and holds microfinance license no. M.F-60 issued by the National Bank of Cambodia on 15 September 2015. The initial registered and fully paid-up share capital of the Institution was US\$1,000,000.

### **Name and Identity**

The word “Samaky” in Khmer mean “solidarity or together” which is a key factor in the prosperity, security and stability of a society. Samaky’s identities are inscribed with the dark blue and dark golden colors on the back and highlighted by the letters "ស" in front. The dark blue represents true and trustworthiness, whilst the dark golden is trustworthy by growing and working together. The letter "ស" refers to collaborative effort towards progress and advances between institutions and clients to enhance the prosperity of both the people and the society.

### **Target Markets**

Our target markets are the households, small and medium-sized businesses who wish to start-up a business or grow and expand their business in all sectors of the economy.

## ***VISION MISSION AND VALUE***

### **Our Vision**

We believe in improving the life and living standard of Cambodians.

### **Our Mission**

Our mission is to provide opportunities to Cambodians to enable them to achieve their goals and assists those who wish to establish or grow and expand their business to be successful by providing efficient and sustainable financial services.

### **Our Value**

Our value and approaches are simple:

- Provide convenience and quick services to our customers
- Honesty and responsibility for our action
- Flexibility and transparency in operations
- Integrity and ethics in all business operations

## **SHAREHOLDERS**

By the end of 2023, the institution has a registered capital of 2,000,000 USD, which in that has the following shareholders:

- 1. Mr. CHHAY SENG EANG** holding **35%** of the shares
- 2. Ms. NGOR NGUON THEARY** holding **35%** of the shares
- 3. Ms. CHHAY CHANNA** holding **15%** of the shares
- 4. Mr. CHUNG CHETTA** holding **15%** of the shares

## ***SHAREHOLDERS MESSAGE***

According to the report of the National Bank of Cambodia in 2023, the banking system in Cambodia has 58 commercial banks, 9 specialized banks, 4 deposit-taking microfinance institutions, 83 non-deposit-taking microfinance institutions, 114 rural credit institutions, and financial leasing institutions. Item 16 Passengers, 6 third parties, 33 payment service establishments, 1 credit information sharing service provider, 5 foreign representative offices and 2,915 exchange business. MFI assets fell -40.9% compared to last year (19.8%) to 26.2 trillion, of which loans continued to decline -42.6% compared to last year (22.7%) to 22.4 trillion riels with 1.6 million accounts. These loans are given to key sectors in the economy, including: family, trade and business, services, construction, transportation, manufacturing, and more. Although Samaky Capital PLC. has faced many difficulties in 2023, But the institution continues to work hard to improve the company's internal structure as well as assist in providing credit in all areas that customers need, both small, medium and large. Shareholders, as well as the Samaky Capital PLC. Board of directors, are still willing to help improve the financial sector, despite the current competition. On behalf of all of us as shareholders of the institution, we would like to thank all the staff as well as the management of the institution for their cooperation in helping to restore the institution for the better in the future. In addition, we, all shareholders of Samaky Capital PLC., would also like to thank the National Bank of Cambodia for always paying attention to the financial sector, as well as the issuance of other guidelines for the implementation of the banks and financial sector, and also thank to the relevant ministries and institutions.

## CHAIRMAN'S MESSAGE



In 2023, the world economy has continued to face the problems of the protracted Russia-Ukraine war and monetary policy tightening as geopolitical tensions in the Middle East escalate. At the same time, the slowdown in China's economic growth has also contributed to the slowdown in global economic recovery. (Refer to the 2023 Annual Report of the National Bank of Cambodia).

In 2023, Samaky Capital has strengthened and recruited more staff to improve the internal management system as well as assist in providing loan in all areas. Although in 2023 Samaky Capital has not yet improved on loans, the institution will make more efforts in the coming years. Samaky Capital's plan for 2024 is to promote micro-loan with appropriate interest rate to help low-income clients who want to create more business. In addition, the institution will continue to increase internal control, recruit qualified staff to help improve the institution.

As the management of Samaky Capital PLC., we would like to thank all the customers and our management and staff for their hard work and commitment. Meanwhile, I would like to thank the Board of Directors for their support and advice, and especially thank the National Bank of Cambodia for always providing the opportunity for the institution to be present to help promote the financial sector in the Kingdom of Cambodia.



## BOARD OF DIRECTORS

### Okhnha. CHHAY SENG EANG Chairman



**Okhnha Chhay Seng Eang Chairman** and a shareholder of Samaky Capital Plc. From 2011 to 2015, he was the Chairman of the Board of Directors of Chhay An pawn shop and from 2015 to the present, he is the Chairman of the Board of Samaky Capital Plc.

### Lok Chumteav. NGOR NGOUN THEARY member of board of directors

**Lok Chumteav. Ngor Ngoun Theary** is the member of board of directors and a shareholder of Samaky Capital Plc. From 2002 to 2006, she was a Researcher from the Cambodia Development Research and Training Institute (CDRI) and Oxfarm America from 2006 to 2007. She is member of board of directors of Samaky Capital Plc., from 2015 to the present. She graduated with a Master's Degree in Development in 2006 from the University of Geneva, Switzerland, with a Bachelor's Degree in Management in 2002 from the National University of Management and Computer Science in 2002 from the Royal University of Phnom Penh.



**Mr. CHUNG CHETTA** member of board of directors



**Mr. Chung Chetta** is the member of board of directors and a shareholder of Samaky Capital Plc. He has experience in the financial sector from 1995 to the present. He holds a Master's Degree in Business and Administration, a Bachelor's Degree in Commerce and Administration from the Australian School of Management, and a graduate of the University of New South Wales, Australia Victoria University, Wellington, New Zealand, Accountant. Chartered-Institute of Chartered Accountants of Australia, New Zealand and Kumpuchea Institute of Certified Public Accountants and Auditors. Currently, in addition to being the member of board of directors of Samaky Capital, he is also the Audit Partner of Fides Services Cambodia.

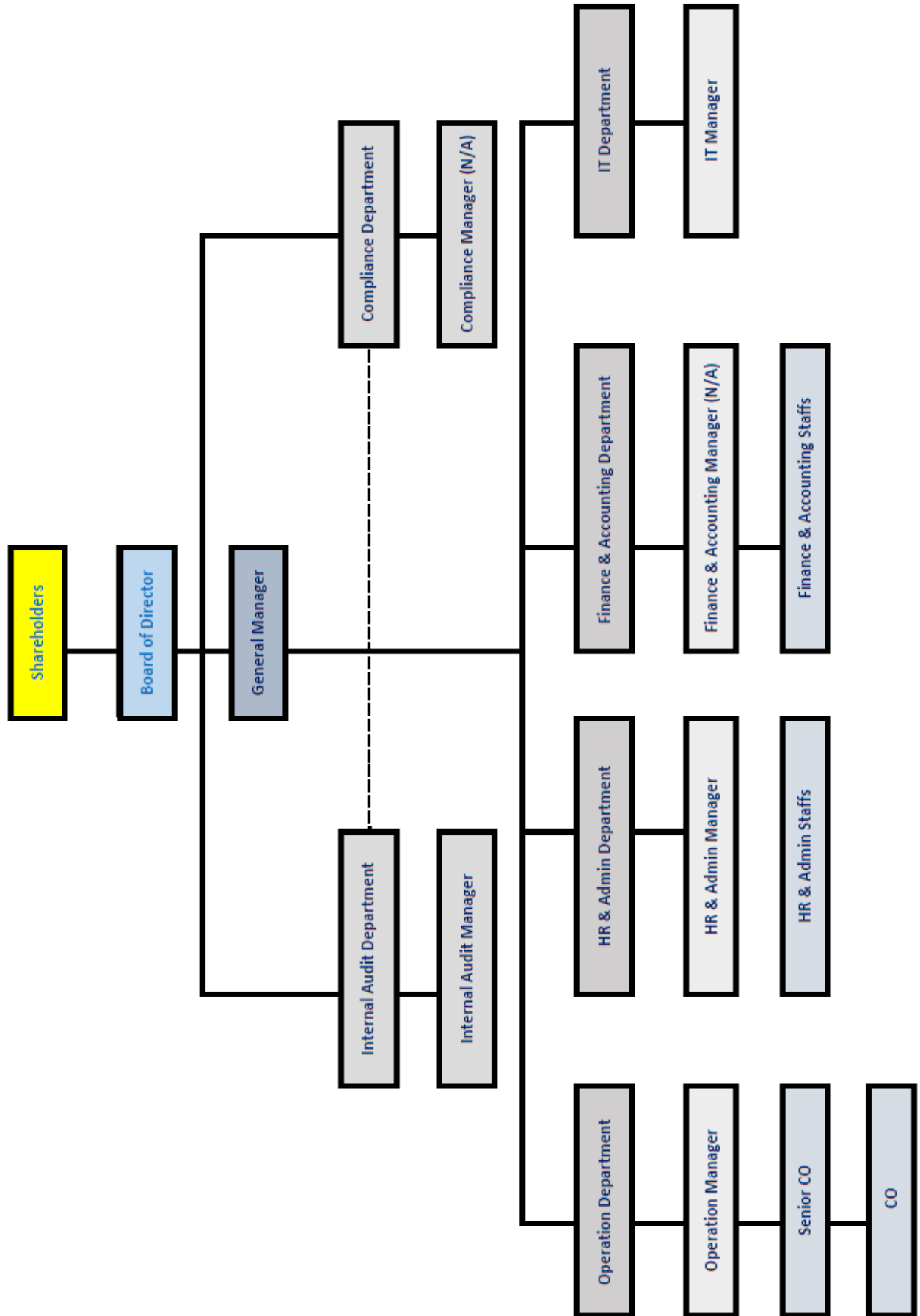
**Mrs. CHHAY CHANNA** member of board of director

**Mrs. Chhay Channa** is the member of board of director and a shareholder of Samaky Capital Plc. She has a lot of experience in the financial sector since 2011 to 2015, she was the general manager of Chhay An Pawn Shop. She was the general manager of Samaky Capital Plc., from 2015 to 2022. She is the member of board of director of Samaky Capital Plc., from 2015 to the present. Apart from the financial sector, she also has a many of personal businesses.





# ORGANIZATION CHART



## PRODUCTS AND SERVICES

### Individual Loan

**Individual Loan** is a loan product developed by the institution to the clients who want to borrow small and medium-sized loans for agricultural activities, production, handicrafts, services.



### Consumer Loan (Household/ Family)

**Consumer Loan** refers to customers borrowing for family or personal use, such as buying transportation, paying for school, marriage, home improvement, buying land for house construction, etc., with interest rates ranging from 15.6% to 18%. Per year.



## Business Loan (Trade and Commerce)

**Business loans** are provided to clients who need to increase their business or raise capital for their businesses at an interest rate of 14.4% to 18% per year.



## Staff Loan

**Staff loan** is a loan that Samaky Capital provides for internal employees who need to use the loan with interest rate from 12% to 18% per year.



## Employees Loan

**Employee loans** are loans to external employees, referring to employees with a clear job and income with an interest rate of 18% per year.



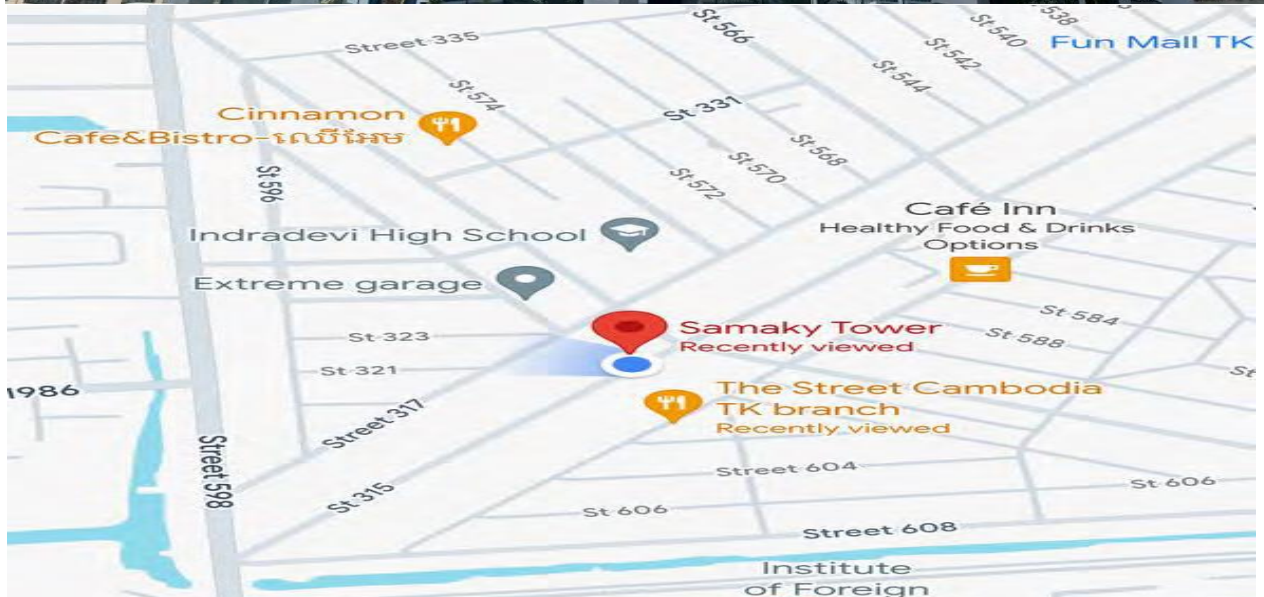


## ADDRESS AND CONTACT

Head office of SAMAKY CAPITAL PLC. at Building No 67, 9th B Floor, Street No 315, Phum 6, Sangkat Boeng Kak ti Pi, Khan Tuol Kouk, Phnom Penh Cambodia.

Contact Number: 023 900 535 / 070 666 421

Website: [www.samaky.com.kh](http://www.samaky.com.kh)



## **BOARD OF DIRECTORS' REPORT**

The directors (“the Board of Directors”) are pleased to submit their report together with the audited financial statements of Samaky Capital Plc. (“the Company”) as at and for the year ended 31 December 2023.

### **RESPONSIBILITIES OF THE DIRECTORS IN RESPECT OF THE FINANCIAL STATEMENTS**

The directors are responsible to ensure that the financial statements are 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 year then ended. In preparing those financial statements, the Directors are required to:

adopt appropriate accounting policies which are supported by reasonable and prudent judgements and estimates and then apply them consistently;

comply with the disclosure requirements of the Cambodian International Financial Reporting Standard for Small and Medium-sized Entities (“CIFRS for SMEs”), or if there have been any departures in the interests of true and fair presentation, these have been appropriately disclosed, explained and quantified in the financial statements;

oversee the Company’s financial reporting process and maintain adequate accounting records and an effective system of internal controls;

assess the Company’s ability to continue as a going concern and prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Company will continue operations in the foreseeable future; and effectively control and direct the Company in all material decisions affecting the operations and performance and ascertain that such have been properly reflected in the financial statements.


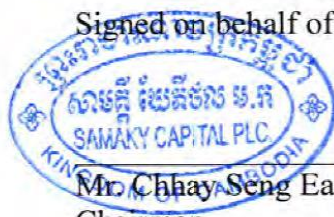
The Directors confirm that the Company has complied with the above requirements in preparing the financial statements.



## STATEMENT BY DIRECTORS

We, being the Directors of Samaky Capital Plc., do hereby approve the accompanying financial statements of the Company which have been 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 financial performance and cash flows for the year then ended, in accordance with the CIFRS for SMEs.

Signed on behalf of the Board of Directors:

  
  
Mr. Chhay Seng Eang  
Chairman

Date: 29 April 2024

---

## **REPORT OF INDEPENDENT AUDITORES TO THE SHAREHOLDER AND BOARD OF DIRECTORS OF SAMAKY CAPITAL PLC.**

### **Opinion**

We have audited the financial statements of Samaky Capital Plc. (“the Company”), which comprise the statement of financial position as at 31 December 2023 and the related statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

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 cash flows for the year then ended, in accordance with the Cambodian International Financial Reporting Standard for Small and Medium-sized Entities (“CIFRS for SMEs”)

### ***Basis for opinion***

We conducted our audit in accordance with Cambodian International Standards on Auditing (“CISAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (“IESBA Code”) together 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 and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS.**

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

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

---

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### ***Auditors' responsibilities for the audit of financial statements***

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

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

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

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

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

**Morisonkak MKA**  
Certified Public Accountants  
Independent Auditors

  
**Key KAK**  
Managing Partner



Date: 29 April 2024

## STATEMENT OF FINANCIAL POSITION

### AS AT 31 DECEMBER 2023

		2023		2022	
	Notes	USD	KHR'000	USD	KHR'000
Assets					
Cash in hand	4	971	3,967	2,733	11,252
Balances with the NBC	5	103,513	422,851	102,272	421,053
Balances with other banks	6	374,297	1,529,002	389,356	1,602,979
Loans to customers – net	7	614,991	2,512,238	795,168	3,273,707
Other assets	8	7,125	29,106	12,525	51,564
Property and equipment	9	1,913	7,815	3,982	16,394
Intangible asset	10	22,880	93,465	27,170	111,859
Total assets		1,125,690	4,598,444	1,333,206	5,488,808
Liabilities and equity					
Liabilities					
Other liabilities	11	11,470	46,855	8,333	34,307
Current tax liabilities	19 (b)	56	229	140	576
Total liabilities		11,526	47,084	8,473	34,883
Equity					
Share capital	12	2,000,000	8,000,000	2,000,000	8,000,000
Retained earnings		(885,836)	(3,600,111)	(755,833)	(3,065,798)
Regulatory reserves	13	-	-	80,566	331,690
Currency translation differences		-	151,471	-	188,033
Total equity		1,114,164	4,551,360	1,324,733	5,453,925
Total liabilities and equity		1,125,690	4,598,444	1,333,206	5,488,808

Signed and authorized for release on behalf of the Board



Mr. Chhay Seng Eang  
Chairman

Date: 29 April 2024

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023		2022	
		USD	KHR'000	USD	KHR'000
Interest income	14	189,749	779,868	133,374	545,100
<b>Net interest income</b>		<b>189,749</b>	<b>779,868</b>	<b>133,374</b>	<b>545,100</b>
Other operating income	15	12,756	52,427	6,315	25,809
Personnel costs	16	(93,548)	(384,482)	(112,658)	(460,433)
Depreciation and amortization	17	(5,423)	(22,289)	(6,087)	(24,878)
Other operating expenses	18	(84,121)	(345,737)	(63,454)	(259,336)
<b>Operating profit</b>		<b>19,413</b>	<b>79,787</b>	<b>(42,510)</b>	<b>(173,738)</b>
Provision for loan losses	7	(228,453)	(938,942)	(136,282)	(556,985)
<b>Losses before income tax</b>		<b>(209,040)</b>	<b>(859,155)</b>	<b>(178,792)</b>	<b>(730,723)</b>
Income tax expense	19	(1,529)	(6,284)	(1,108)	(4,528)
<b>Net loss</b>		<b>(210,569)</b>	<b>(865,439)</b>	<b>(179,900)</b>	<b>(735,251)</b>
Currency translation differences		-	(36,562)	-	59,302
<b>Net comprehensive loss</b>		<b>(210,569)</b>	<b>(902,001)</b>	<b>(179,900)</b>	<b>(675,949)</b>

Signed and authorized for release on behalf of the Board



Mr. Chhay Seng Eang  
Chairman

Date: 29 April 2024



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital		Regulatory reserve		Retained earnings		Currency translation	Total	
	USD	KHR'000	USD	KHR'000	USD	KHR'000	KHR'000	USD	KHR'000
As at 1 January 2023	2,000,000	8,000,000	80,566	331,690	(755,833)	(3,065,798)	188,033	1,324,733	5,453,925
Net loss for the year	-	-	-	-	(210,569)	(865,439)	-	(210,569)	(865,439)
Transfer from regulatory reserve	-	-	(80,566)	(331,126)	80,566	331,126	-	-	-
Currency translation difference	-	-	-	(564)	-	-	(36,562)	-	(37,126)
<b>As at 31 December 2023</b>	<b>2,000,000</b>	<b>8,000,000</b>	<b>-</b>	<b>-</b>	<b>(885,836)</b>	<b>(3,600,111)</b>	<b>151,471</b>	<b>1,114,164</b>	<b>4,551,360</b>
As at 1 January 2022	2,000,000	8,000,000	69,691	281,559	(565,058)	(2,280,416)	128,731	1,504,633	6,129,874
Net loss for the year	-	-	-	-	(179,900)	(735,251)	-	(179,900)	(735,251)
Transfer to regulatory reserve	-	-	10,875	44,446	(10,875)	(44,446)	-	-	-
Currency translation difference	-	-	-	5,685	-	(5,685)	59,302	-	59,302
<b>As at 31 December 2022</b>	<b>2,000,000</b>	<b>8,000,000</b>	<b>80,566</b>	<b>331,690</b>	<b>(755,833)</b>	<b>(3,065,798)</b>	<b>188,033</b>	<b>1,324,733</b>	<b>5,453,925</b>

## 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>				
Loss before income tax	(209,040)	(859,155)	(178,792)	(730,723)
Adjustments for:				
Allowance for impairment losses (Note 7)	228,454	938,946	136,282	556,985
Depreciation and amortization (Note 17)	5,423	22,289	6,087	24,878
Loss on disposals of property and equipment	6	25	-	-
<b>Operating profit before working capital changes</b>	<b>24,843</b>	<b>102,105</b>	<b>(36,423)</b>	<b>(148,860)</b>
Changes in working capital:				
Loans to customers	(48,277)	(198,418)	(361,280)	(1,476,551)
Other receivables	5,400	22,194	(965)	(3,944)
Other payables	3,139	12,901	1,173	4,794
<b>Cash used in operations</b>	<b>(14,895)</b>	<b>(61,218)</b>	<b>(397,495)</b>	<b>(1,624,561)</b>
Income tax paid (Note 19)	(1,613)	(6,629)	(1,043)	(4,263)
<b>Net cash used in operating activities</b>	<b>(16,508)</b>	<b>(67,847)</b>	<b>(398,538)</b>	<b>(1,628,824)</b>
<b>Cash flows from investing activities</b>				
Purchase of property and equipment (Note 9)	(299)	(1,229)	(770)	(3,147)
Proceed from sale of property and equipment	1,227	5,043	-	-
<b>Net cash from/(used in) investing activities</b>	<b>928</b>	<b>3,814</b>	<b>(770)</b>	<b>(3,147)</b>
<b>Net changes in cash and cash equivalents</b>	<b>(15,580)</b>	<b>(64,033)</b>	<b>(399,308)</b>	<b>(1,628,824)</b>
Cash and cash equivalents at beginning of year	394,361	1,623,584	793,669	3,233,407
Currency translation difference	-	(12,230)	-	19,001
<b>Cash and cash equivalents at end of year (Note 20)</b>	<b>378,781</b>	<b>1,547,321</b>	<b>394,361</b>	<b>1,623,584</b>

## SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared using the significant accounting policies and measurement bases summarized below. These policies have been consistently applied to all of the years presented, unless otherwise stated.

### **Basis of preparation**

The financial statements have been prepared in accordance with the Cambodian International Financial Reporting Standard for Small and Medium-Sized Entities (“the CIFRS for SMEs”), which are based on International Financial Reporting Standard for Small and Medium-Sized Entities issued by the International Accounting Standards Board. They are prepared under the historical cost convention, except otherwise indicated.

The preparation of financial statements in conformity with CIFRS for SMEs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reported period. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies. Although these estimates and judgements are based on the management’s best knowledge of current events and actions, actual results may differ from those estimates.