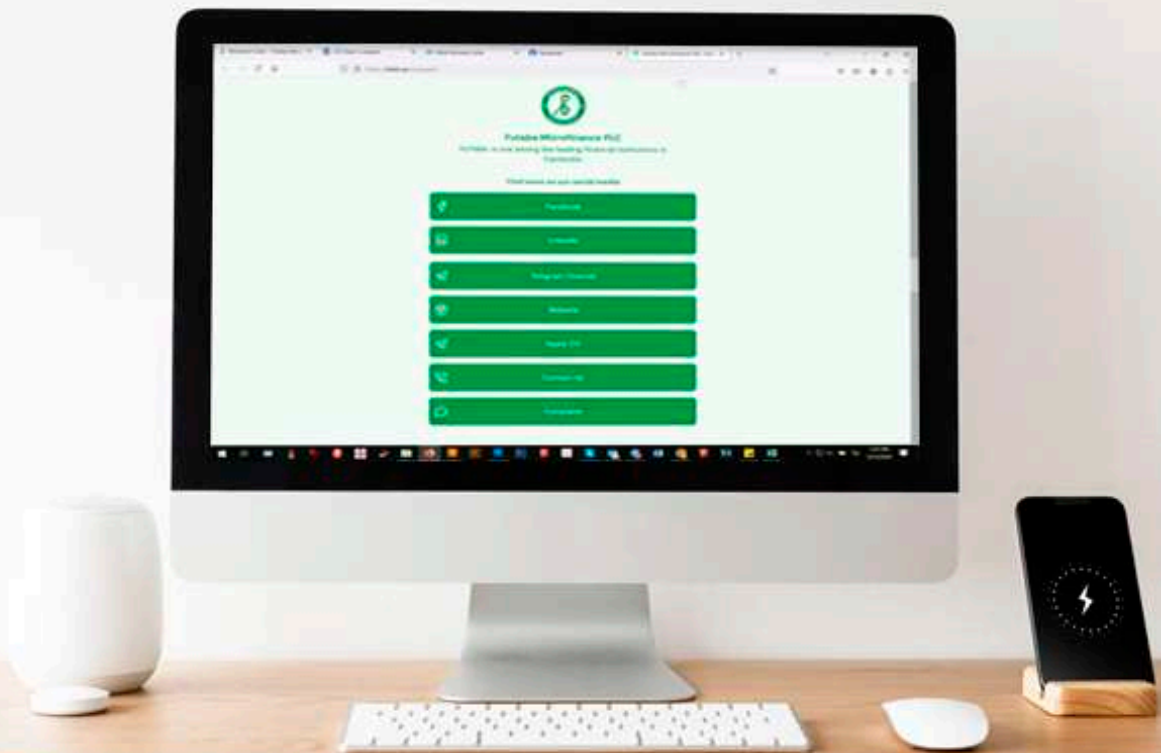


**ANNUAL
REPORT**

2024



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Chairman's Statements



Mr. CHREUK Phally
Chairman of Board of Directors

The global economic situation is still facing geopolitical tensions, geopolitical and economic divisions, and prolonged the Russia-Ukraine war, and Cambodia's economy has also been affected. We see that global economic growth for 2024 is expected to reach 3.2%, of which developing countries increased by 1.7%, emerging and developing countries increased by 4.2%, and ASEAN economies increased by 4.6%, according to the International Monetary Fund's forecast. Meanwhile, global inflation has decreased to 5.7% for 2024. For the Cambodian economy, for 2024, it is estimated to grow at a rate of 6% and the inflation rate is only 0.8%, which is a low rate. The National Bank of Cambodia will continue to implement a flexible and prudent monetary policy through its main tools to maintain price stability and support economic activity. In this context, we see that the Royal Government of Cambodia has effectively implemented its first phase of the Five-Point Strategy by introducing a series of measures to accelerate basic diversification, reform, use of digital systems, and promote the strengthening and better functioning of certain sectors such as construction, real estate, tourism, and agriculture.

For confidence in Cambodia's banking, microfinance and leasing system continues to maintain progress and stability, despite being affected by some countries in the region with rising debt and credit risks arising from the real estate sector. According to the annual report 2024 of the National Bank of Cambodia at the end of 2024, the total assets of banking and financial institutions increased by 7% to 369.4 trillion riels (equivalent to 91.1 billion US dollars), with ongoing loans increasing by a low rate of 3% to 242.9 trillion riels (equivalent to 59.9 billion US dollars), while deposits increased by 16.3% to 230.9 trillion riels (equivalent to 57 billion US dollars). In the banking system in Cambodia, there are 59 Commercial Banks, 9 Specialized Banks, 4 Deposit-taking Microfinance Institutions, 85 Microfinance Institutions, 114 Rural Credit Institutions, and 13 Leasing Institutions, 4 Third Party Processors, 30 Payment Service Providers, 1 Credit Bureau Cambodia, 5 Foreign Banks representative office, and 3,327 Money Changers.

At this point, we can see that the banking and microfinance systems have also been affected. The National Bank of Cambodia has continued to monitor financial stability by strengthening financial sector risk analysis, analyzing the linkages between the economy, the physical sector, and the financial sector, and has put in place regulatory relief measures. However, the banking system continues to maintain its capital and liquidity resilience and conducts banking operations prudently. The microfinance sector in Cambodia has played and continues to play an important role in contributing to the promotion of sustainable finance, environmental protection, and green economic and social development, especially in reducing poverty in rural areas.

Due to the challenges that have affected to the Cambodia's economy and the banking and financial sector, **FUTABA** Microfinance Plc., has continued to work hard and take measures to address some risks, especially to further strengthen credit quality and reduce unnecessary expenses in line with its long-term strategic plan. In 2024, **FUTABA** Microfinance Plc. has also changed its structure at the board level to continue to check, monitor, and provide recommendations for more effective business operations. Despite this difficult situation, according to the financial report for 2024, **FUTABA** Microfinance Plc., was still able to maintain our profit of US\$307,018 with its total assets of US\$15,549,479. This result shows the commitment and cooperation of managements, all staffs, and especially the credit team, which has made efforts to manage and resolve customer late in a timely manner.

On behalf of the Chairperson of Board of Directors, I would like to thank to our customers who continue to use the institution's services and products in good faith to contribute to the development of businesses and resources for future generations in the Kingdom of Cambodia, especially our Japanese shareholder who always provide financial support, as well as Chief Executive Officer, Deputy Chief Executive Officer, managements and all staffs of **FUTABA** Microfinance Plc., for much contribution, work hard, and support to implement and achieve of business strategic as provided by the Institution's Board of Directors. Especially, I would like to express my deepest gratitude to thank the National Bank of Cambodia, relevant ministries, and corporate partners who always provide cooperation, support, and recommendations to our Institution on some additional shortcomings to strengthen the implementation and review and manage all work activities more effectively and transparently until now and in the future.

Finally, we would like to blessing you and your family have good luck, good healthy with happiness, wisdom, successful all the businesses, and the New Year angels to take care of forever.



Mr. CHREUK Phally
Chairman of Board of Directors

CEO's Messages



Dear valuable Customers and Business Partners,

Please be informed **FUTABA** Microfinance Plc., received a business license as a microfinance institution from the National Bank of Cambodia to operate business activities on December 16, 2015. With its fulfillment of good business performances achieved, strong management by which the activities of directing, controlling, and organizing the company followed by laws and regulations as well as clear vision with effective long-term Strategic Business Plan, the National Bank of Cambodia has decided and officially issued the Permanent License as Microfinance Institution in lieu of the given Three Year - License for **FUTABA** Microfinance Plc., since December 30, 2019, and also approved operating a new branch at Krong Doun Kaev Branch in Takeo Province, which received a legal license from the National Bank of Cambodia on February 07, 2023. In 2024, the National Bank of Cambodia also issued a new license with a new governor, on July 24, 2024.

The economic situation in Cambodia is still not well, and we have noted that the situation of the banks, financial institutions, and leasing institutions sector, as well as **FUTABA** Microfinance Plc., in 2024, are still facing some challenges, especially in credit quality management, where non-performing loans have been increasing. We established **FUTABA** Microfinance Plc., and have been operating for almost 9 years, serving customers and working at the Head Quarter and 05 branches of the Head Office Branch, Khan Praek Phov Branch, Khan Pur Senchey Branch, Krong Chbar Mon Branch (Kampong Speu Province), and Krong Doun Kaev Branch (Takeo Province). Krong Doun Kaev Branch is the last branch to run the operations in 2023.

The achievements of **FUTABA** Microfinance Plc., as of December 31, 2024 as follows:

1. Total staff: 97, 28 females and 69 males
2. Total Active Customers have been using loans 1,015

3. Total Loan Portfolio is US\$14,798,206
4. Total Assets is US\$15,549,479;
5. Net Profit In 2024 is US\$307,018;
6. Portfolio at Risk (More than 30 days) is 19.41%;
7. Written-Off Loan is still 0%.

Until now, although **FUTABA** Microfinance Plc., has not yet rapidly expanded many branches within the whole country, our Vision is to become one amongst the premier leading Financing Institutions in the Kingdom of Cambodia to contribute to the sustainable Society Development and Stable Economic Growth for both current & Next Generation throughout stabilizing and transparency of Financing Markets and Long-Term Strategic Business Plan for expanding operational areas in other provinces, flexible to the economic situation, which is our sincere wishing as well as our goal.

While customer needs during 2024, we also focused on strengthening our internal control systems, developing and updating policies and procedures, managing and resolving non-performing loans, strengthening staff capacities (through internal and external trainings), and structural reform in the board level to ensure strong and effective execution and monitoring by compliance with the laws and regulations required by the National Bank of Cambodia and relevant ministries.

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

The global economic situation and the current economy of Cambodia are still not good, which poses some challenges to the banking, financial and leasing sectors and also affects to **FUTABA** Microfinance Plc., with lower achievement than planned on profits and an increasing in the number of overdue loans. But for the Cambodia's banking and microfinance systems have been continuing to be strong, which brought Cambodia's domestic economic activities to return back to be normal and businesses operating better in the near future. Last but not least, we do believe that our institution will continue to operate effectively and will be the PATHWAY for Cambodian Next Generation, which should be materialized based on our Fair and Transparency of Financial Services, funded by a single Shareholder from Japan, which we can manage skillfully and make decisions quickly to meet customer needs.

To make "**Dreams Come True**", for both customers and **FUTABA** Microfinance Plc., we are pleased and welcome to provide our warmed and confident financial services to our esteemed customer with a wide range of loan services everywhere and all the times.

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

Dreams Come True!



Mr. UM Piseth
Chief Executive Officer



1

Performance Highlights

- Financial Highlights
- Operational Highlights
- Human Resource Highlights

Financial Highlights

Statement of Financial Position (USD)

Assets

	2024	2023	2022
Cash and Cash in Bank	416,637	845,193	2,170,557
Net Loan Portfolio	14,798,620	14,383,076	13,295,920
Property and Equipment (Net)	216,794	179,197	98,381
Other Assets	117,428	173,396	178,922
Total Assets	15,549,479	15,580,862	15,743,780

Liabilities

Other Liabilities and Provision	484,433	1,712,834	1,636,216
Long and Short Term Borrowings	5,537,182	4,647,182	5,147,182
Total Liabilities	6,021,615	6,360,016	6,783,398

Equity

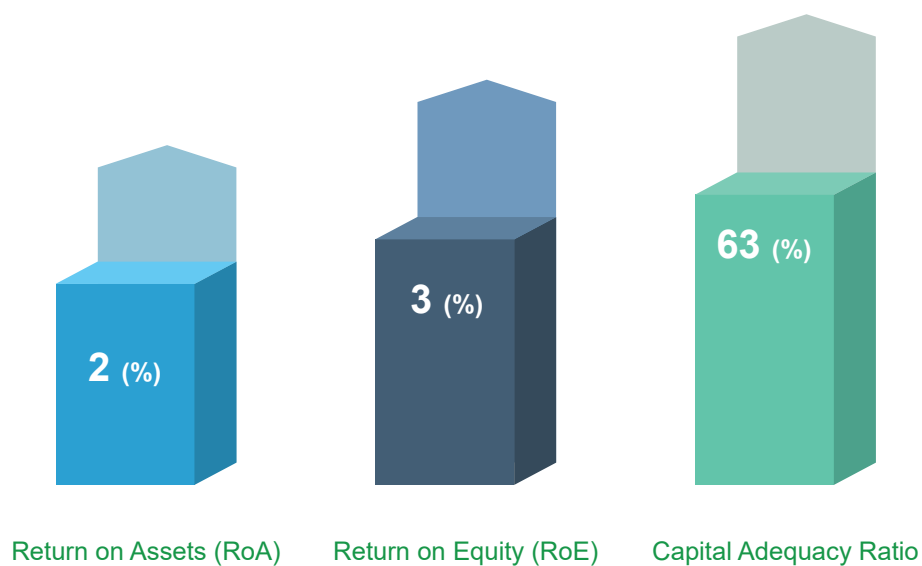
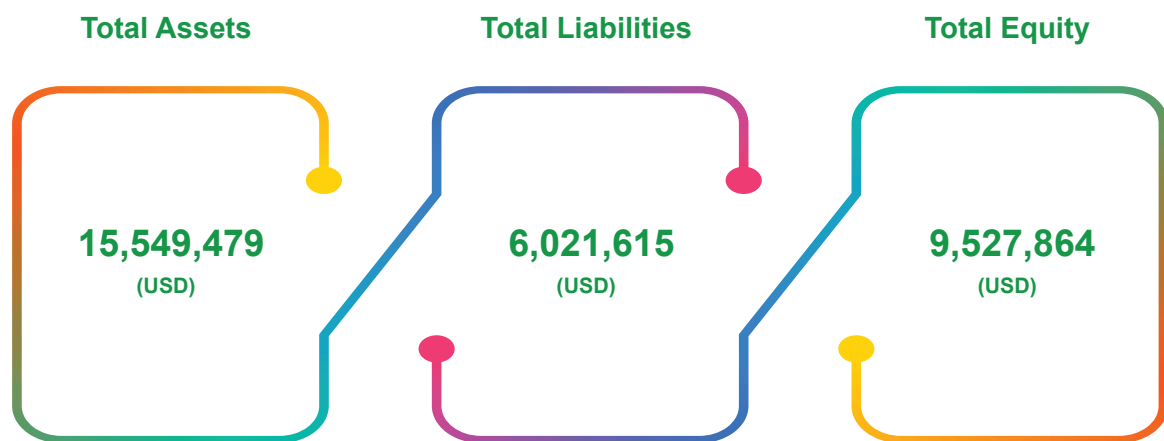
Share Capital	7,000,000	7,000,000	7,000,000
Regulatory Reserves	2,508,990	1,441,382	798,749
Retained Earnings	18,874	779,464	1,161,633
Total Equity	9,527,864	9,220,846	8,960,382
Total Liabilities and Equity	15,549,479	15,580,862	15,743,780

Statement of Comprehensive Income (USD)

	2024	2023	2022
Interest Fee and Other Incomes	2,014,259.00	1,884,029	1,954,031
Operation Expenses	1,707,241.00	1,623,565	1,504,605
Profit After Tax	307,018	260,464	449,426

Key Financial Highlights (USD)

	2024	2023	2022
Capital Adequacy Ratio	63%	61%	59%
Return on Assets (RoA)	2%	2%	3%
Return on Equity (RoE)	3%	3%	5%



Operational Highlights

Statement of Financial Position (USD)

	2024	2023	2022
Number of Branches	5	5	4
Number of Provinces	12	10	10
Number of Districts	56	50	44
Number of Communes	198	177	155
Number of Villages	510	447	378
Total Staff	97	92	90
Number of Credit Officers	30	27	26
Credit Officers over Total Staff (%)	31%	29%	29%
Number of Borrowers	928	803	707
Number of Active Borrowers	1015	883	789
Number of Active Borrowers per Credit Officer	34	33	30
Loan Portfolio (in USD)	15,344,243	14,383,076	13,295,920
Loan Outstanding per Credit Officer (in USD)	511,475	532,707	511,382
Loan Outstanding per Staff (in USD)	158,188	156,338	147,732
Average Loan Size (in USD)	15,117	16,289	16,852
Portfolio at Risk (PAR%)	19.41%	15.96%	12.62%
Gross Write-Off (in USD)	-	8,555	3,776

Summary Data 2024

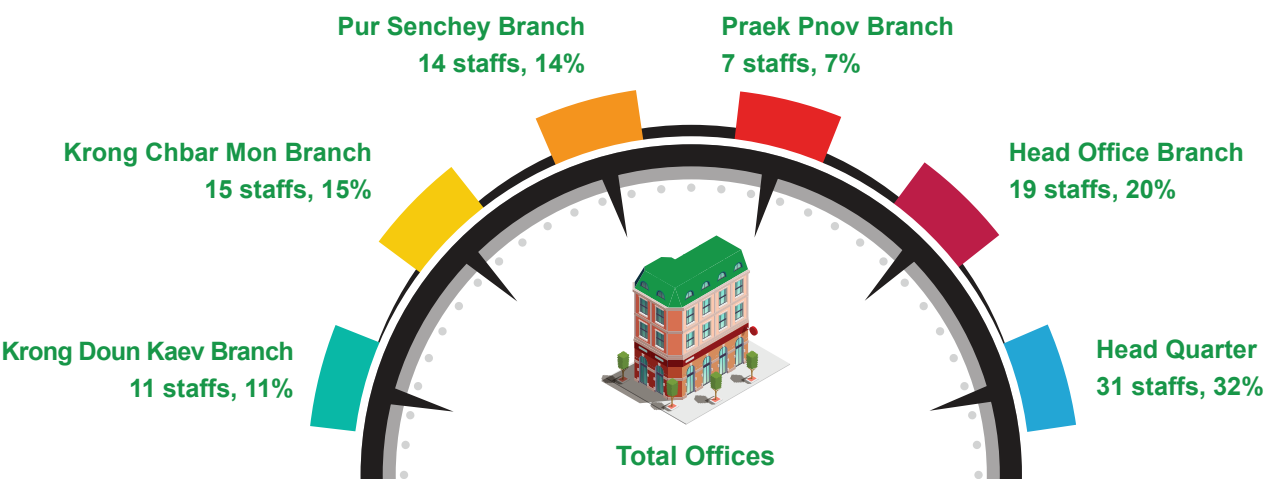
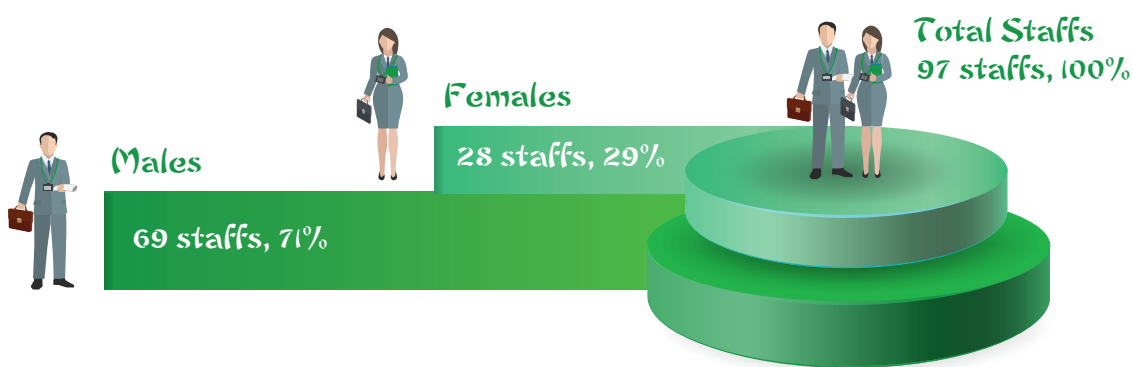


Human Resource Highlights

Based on Cambodia's economic in 2024, the situation has not yet significantly improved following the impacts of the global crisis, which has also affected the microfinance sector in Cambodia. Despite these challenges, the senior Management of **FUTABA** Microfinance Plc., continues to strengthen human resource management and enhance employee work efficiency for further progress.

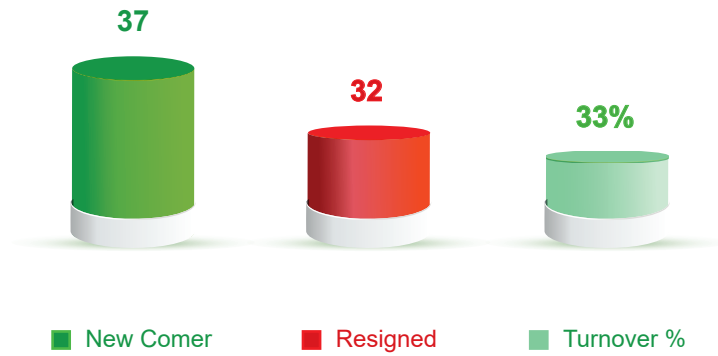
According to the long-term business plan, Recruiting skilled and honest employees, including motivating and encouraging employees to have opportunities to participate in both internal and external training to strengthen their capabilities and develop their skills in line with the vision and growth of **FUTABA** Microfinance Plc., to succeed in line with the shareholders' dreams. This has led to the fact that **FUTABA** Microfinance Plc., Retained good human resources and be able to recruit new staff in line with the business plan.

As of December 31, 2024, **FUTABA** Microfinance Plc.,’s staff statistics totaled 97 (69 males and 28 females), reflecting an increase of 05 employees compared to 2023.

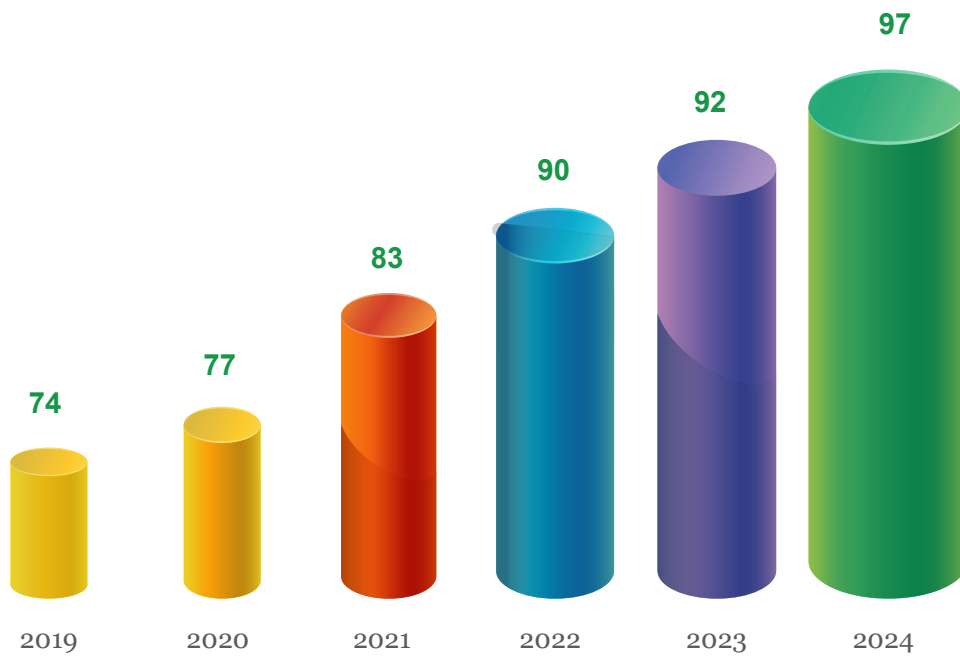


Year-Round Staff Changes

(YTD 2024)



Number of Staff Consolidated



2

About FUTABA

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

Business Operation Areas



1 Head Office & Branch

- #795, Preah Monivong Blvd, Sangkat Boeng Trabaek, Khan Chamkar Mon, Phnom Penh, Cambodia.
- 070 358 333

3 Praek Pnov Branch

- #18A-18B, National Road 5, Phum Duong, Sangkat Praek Pnov, Khan Praek Pnov, Phnom Penh.
- 070 357 333

5 Krong Doun Kaev Branch

- Phum Khsoeng, Sangkat Roka Knong, Krong Doun Kaev, Takeo Province. Cambodia.
- 070 964 333

2 Pur Senchey Branch

- #78Kor, National Road 4, Prey Svay Village, Sangkat Chaom Chau 3, Khan Pur Senchey, Phnom Penh, Cambodia. 070 359 333

4 Krong Chbar Mon Branch

- National Road 4, Village Krang Pul Tep, Sangkat Roka Thom, Krong Chbar Mon, Kampong Speu Province, Cambodia. 070 314 333

Brief Overview of FUTABA

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

As of December 31, 2024, **FUTABA** Microfinance Plc., has a total of 97 staffs, 28 females and 69 males are working at Head Quarter and 05 branches including Head Office Branch, Khan Praek Pnov Branch, Khan Pur Senchey Branch, Krong Chbar Mon Branch, and Krong Doun Kaev Branch with 1,015 active clients whose are using the loans, and loan portfolio of US\$14,798,620 under managing by 30 Credit Officers, the overall result was a slight increasing from previous year, but **FUTABA** Microfinance Plc., still has continued its positive journey into the future. During the last 4 years from 2016 to 2019, we have maintained the Portfolio at Risk at 0.46% only and Loan Written-Off at 0%, which is the good result on credit management in each year. In particular, from 2020, there has been a series of increasing in the Portfolio at Risk (PAR) up to 19.41% and Loan Written-Off in good rate at 0%, due to the wars between countries in the region, a number of natural disasters, and lastly, the economic war between the United States of America and some countries around the world, which has led to an impact on the economies of almost every country in the world. In this situation, **FUTABA** Microfinance Plc., has been providing restructured loans to some customers in accordance with the instructions of the National Bank of Cambodia, which will be completed by the end of 2025.

As for the financial statements situation, we see that **FUTABA** Microfinance Plc., took over one year to realize its net profit since 2017, in case of significantly affected by many factors since 2019, however our net profit at the end of 2024 was US\$307,018 (increased from 2023) with its total assets of US\$15,549,479 (decreased from 2023) as a result of the financial situation is not yet good performance in this difficulty situation, if compared to the plan set, but the institution continues to operate its business activities effectively and efforts to overcome obstacles, especially to prevent the increasing of loans late and timely loan resolving.

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

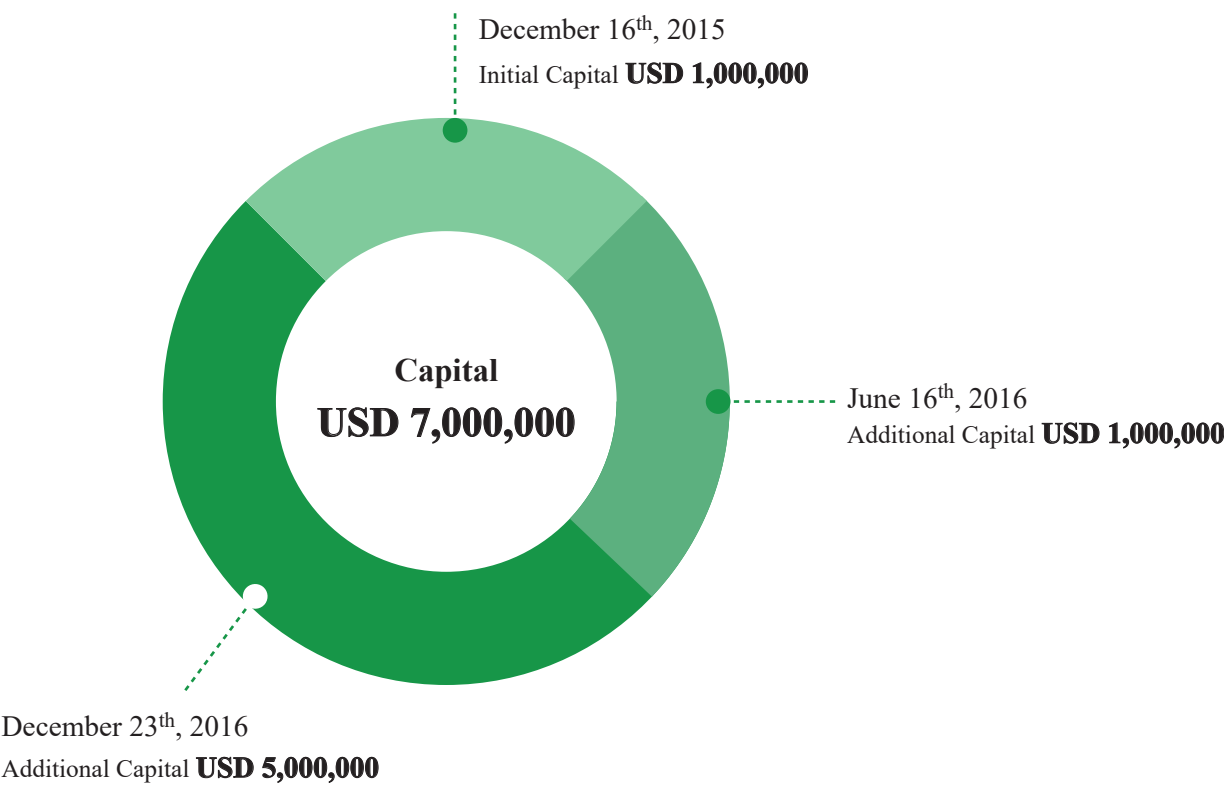
History of FUTABA

FUTABA Microfinance Plc, has been established in the purposes and dreams of a shareholder. Throughout the initiatives, as well as a strong commitment, the shareholder has overcome all obstacles, and finally received the official business operating license from The National Bank of Cambodia, No M.F-64, issued on December 16, 2015, and in 2024, the National Bank of Cambodia also issued a new license with a new governor, on July 24, 2024.

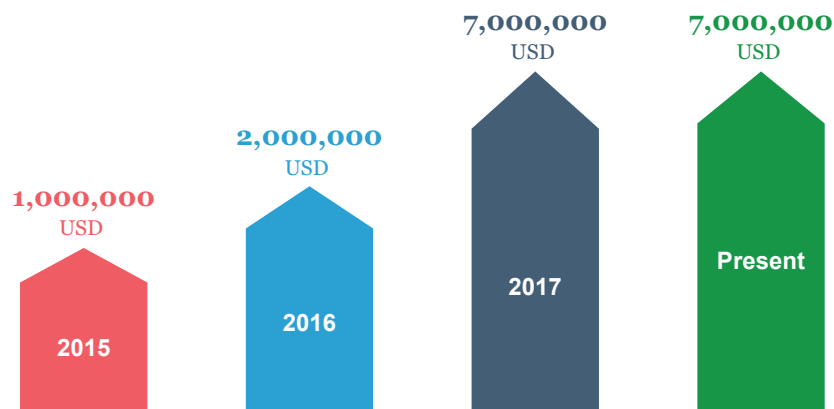
At the beginning of 2016, **FUTABA** Microfinance Plc, started its business operation with the only initial capital of US\$1,000,000. However, with the strong support from customers, it was showing that **FUTABA** Microfinance Plc, got a great successful achievement. Meanwhile, since 2016, **AZUMA &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

With the long-term perspective and the expectation, the positive progress of the financial market in Cambodia, **FUTABA** Microfinance Plc, will continue to implement its strategic plan in order to achieve the need and dream of the shareholder. Having seen its growing, **FUTABA** Microfinance Plc, launched 3 new branches more by the end of 2016 in order to strengthen and enhance its potential strength on a widely market, and to serve the growth of loan demand from the local area customers. The 3 branches were approved the official business operation license from the National Bank of Cambodia on September 20, 2016. In view of the positive implementation and management as well as the long-term strategic plan in the future, the National Bank of Cambodia granted permission to extend the license to **FUTABA** Microfinance Plc, for 3 years more on October 22, 2018 and on December 30, 2019, the National Bank of Cambodia decided to grant a permanent business license to **FUTABA** Microfinance Plc. In 2023, Institution had strived to expand its branch operations in Takeo province (Krong Doun Kaev Branch) in line with its long-term strategic plan. As of December 31, 2024, **FUTABA** Microfinance Plc, has 9-years business operation, which is located serving with 05 branches such as Head Quarter (Head Office Branch), Khan Praek Pnov Branch, Khan Pur Senchey Branch, Krong Chbar Mon Branch (Kampong Speu Province), and Krong Doun Kaev Branch (Takeo Province). And during 2024, **FUTABA** Microfinance Plc, also changed its organizational structure at the board level, with some board members had resigned and new members being admitted as currently with 4 board members.

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



Capital Increasing



Vision Mission & Core Value

Vision & Mission



Vision

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



Mission

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

Core Values



Integrity



Humanity



Future-Oriented



Challenge




Passion

Branding of FUTABA



Symbol and Meaning

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

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

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

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



Color

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



Slogan

Dreams Come True



3

Corporate Governance

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

Shareholder and Capital



Mr. Yosuke SASAKI
Representing the Shareholder

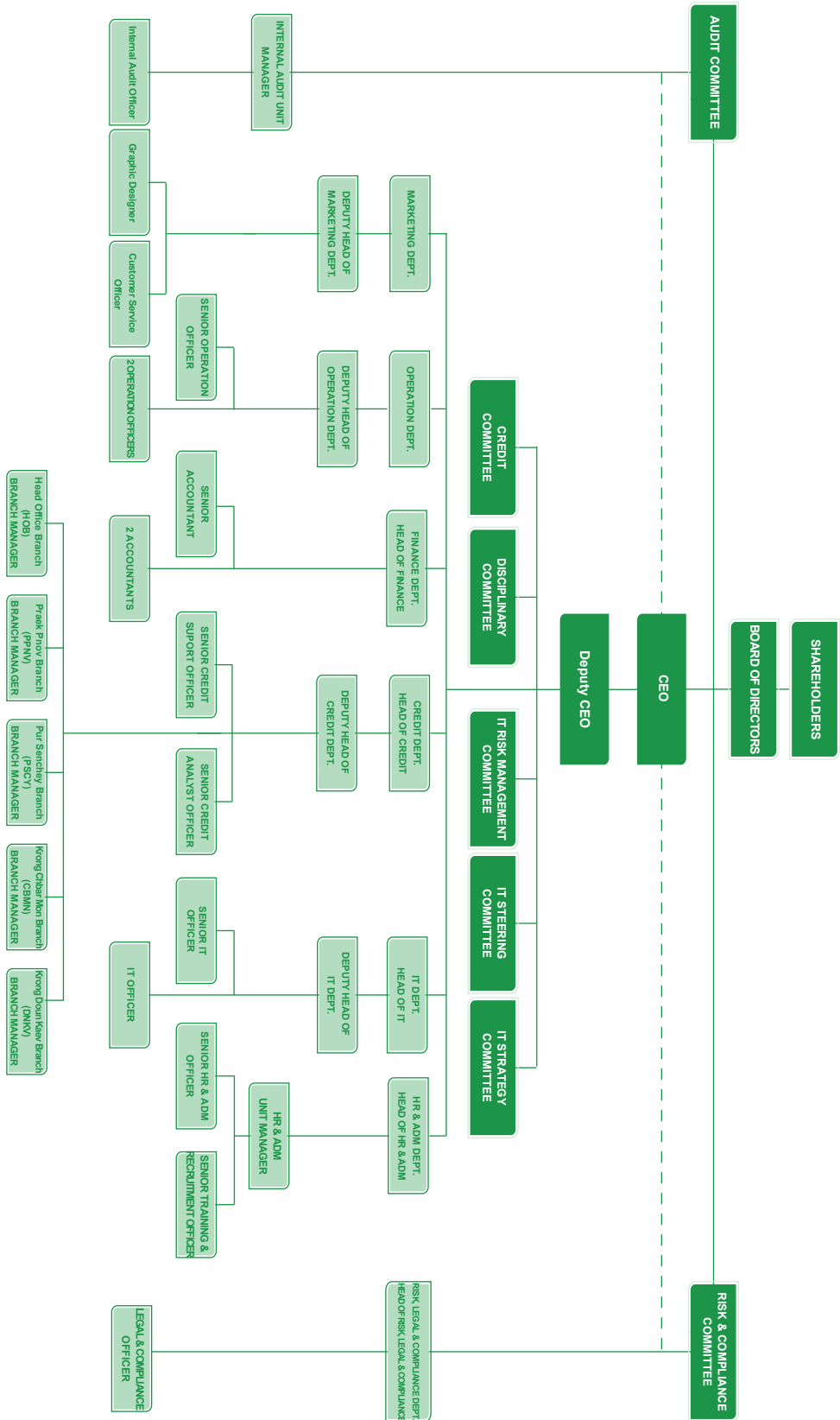
AZUMA & Co.,Ltd. as 100 percent Share- holder of FUTABA Microfinance Plc., hereby express our keen eagerness to contribute to the Eradication of the Poverty in our beloved Country, the Kingdom of Cambodia.

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

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



Organizational Chart



Board of Directors



Mr. CHREUK Phally
Chairman of Board of Director

Mr. **CHREUK Phally**, Cambodian, was born in 1981 in Phnom Penh. He has been appointed to be a Board Member of **FUTABA** Microfinance Plc., since July, 2015 and then he was appointed to be Chairman of Board of Director on July 22, 2016 until now. He has more than 19 years of experience in the field of Management, 5 years of which he served as Marketing Manager at Futaba Co., Ltd. In 2007, he was promoted to General Manager, and serves in this capacity to-date. He obtained his Bachelor's Degree of Business Administration from Norton University.



Mr. Junichi SASAKI
Board of Director

Mr. **Junichi SASAKI**, Japanese, was born in 1949 in KANAGAWA. He was first appointed to be a member of Board of Director on August 18, 2017, and new acknowledged as Board of Director on July 08, 2024 by National Bank of Cambodia. Mr. Junichi SASAKI graduated from Tokyo University in 1975, and he is currently active as President and 100% shareholder of FutureBud International Co., Ltd, in Tokyo of Japan.



Mr. NGET Sovannaro
Independent Board of Director

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



Mr. HEAN Sokhom
Independent Board of Director

Mr. **HEAN Sokhom**, Cambodian, was born in 1957 in Kratie province, Cambodia. He was appointed to be a board member as Independent Board of Director on July 08, 2024. He graduated in Ph.D. Philology, Moscow, Institute of Oriental Study, Academy of Sciences of Russian Federation in 1992, and in M.A. Philology, Moscow, Russian People Friendship University, "With Distinction," in 1986. He has 16 years of experience since 2000 - 2016 in the Center for Advanced Study as a research non-profit organization and overall management role of that institution, as a research coordinator of research project such as the public opinion polls, behavioral survey, as well as kinds of quantitative and qualitative studies, commissioned by the international donors, and 19 years in a leader of an organization with mainly focusses on the development, the internal control, budget control, accurate financial statements, maintain the compliance to the accounting policy/laws and regulations of taxation, and work closely with external auditor.

Management Teams



Mr. UM Piseth
Chief Executive Officer

Mr. **UM Piseth** started his career with **FUTABA** Microfinance Plc., as Head of Credit Department in late 2015, then he was promoted to be an ACEO in July, 2016. He is now in charge of three departments, Credit Department, Marketing Department, and Operation Department. In the background, he obtained Bachelor Degree in the field of General Management from Royal University of Law and Economics, and held Diploma of Intensive English Academic of Purpose from Pafñiasastra University of Cambodia. He has attended numerous Training Courses, Workshops and conferences, which was related to Property Development Sector, and Banking & Microfinance Sectors as well. He has spent over 18 years of practical experience in Various Positions in Microfinances such as Branch Officer, Branch Manager, Regional Manager, Operation Manager, Head of Marketing & Communication Department, Credit Manager, and Head of Credit Department. He also used to work with Telecom Companies for over 3 years. On 29 Nov 2023, Mr. UM Piseth has been promoted to Chief Executive Officer.



Mr. PREAP Kandoeng
Deputy CEO

Mr. **PREAP Kandoeng** earned Master Degree of Business specialize in Finance from Charles Sturt University, Australia, and Bachelor's Degree in Business Administration, specialize in Accounting at National University of Management. He has years of working experiences at all corporate levels, educational background and continuous professional development. Before joining **FUTABA**, he had many years of experience in the field of Accounting Management, Accounting Technical Advisor, Banking and Finance Management and Head of Finance Department position of other MFI. He joined **FUTABA** Microfinance PLC., as Head of Finance Department in 2015. Then, he was promoted as ACEO, in charge mainly of difference types of departments including Finance Department, IT Department, and HR & Administration Department, starting from 01 July, 2016. On 29th Nov 2023, Mr. Kandoeng PREAP has been promoted to Deputy Chief Executive Officer.



Mr. KUNG Sarath

Head of IT Dept.

Mr. **KUNG Sarath**, Cambodian, graduated with his Master's degree in Management in 2011 included two other major fields, Information Technology and English Literature. In professional background, he was an IT Manager who handled and led IT Department Division in one among the largest commercial bank in Cambodia. He gained hands-on experience in Core - Banking System, Card System, and SWIFT System with various kinds of Technical Skills such as defining system work flow and process, secured banking network infrastructure, and policy maker. In early 2016, he joined **FUTABA** Microfinance Plc., as Deputy Head of IT, and six months later he was promoted to be Head of IT. He has initiated and set up Network Infrastructure for Production and DR Data Centre site, and IT Policy as well as IS Policy for **FUTABA** Microfinance Plc., since first established. He got over 10 - year experience in Banking and Financial Sector.



Mr. SAR Phearom

Head of Risk, Legal & Compliance Dept.

Mr. **SAR Phearom** was jointed as Deputy Head of Legal & Compliance of **FUTABA** in September 2017. Before joining **FUTABA**, he worked in Chamroeun MFI in the last position as Head of Risk and Legal Compliance and started with Chamroeun in many positions from Loan Officer in February 2009 and became Internal Audit Officer in February 2010. He was later promoted to Branch Manager in November 2010 and Senior Compliance Officer in June 2012. And then he was promoted to Legal and Compliance Manager in June 2013 and Head of Legal Department in January 2015 then in charge of Head of Risk & Legal Compliance. He has almost 1 year - experience with Feeling Home Hotel as Front Officer and more than 4 year - experiences with World Vision at District as Volunteer. He obtained his Master Degree majoring in Master in Private Law from the Royal University of Law and Economics and holds a Bachelor Degree in Accounting and Financial from Human Resources University. Within his roles and duties, He has spent experiences over 9 years in various position in Banking and Financial Institution sector.



Mr. YAT Bunchea

Head of Credit Dept.

Currently, Mr. **YAT Bunchea** joined **FUTABA** Microfinance institution Plc as a Head of Credit Department. Prior to his career at **Futaba** Microfinance Plc, he held many positions in financial industry such as: Credit Officer, Senior Credit Officer, Credit Manager, Branch Manager, Provincial Manager, Operation Manager and General Manager. He had many experiences over 25 years with Local NGOs and MFIs sector. He has participated working with UNTAC as Interpreter and observer of 1993 election. He used to work as a High School Teacher in Science Subject and English Language. He obtained Bachelor's Degree of Business Administrative, majoring in General Management at Build Bright University in 2009. He has participated many trainings and short courses as well as with CMA and other financial sectors training, especially; he has participated the training courses in Credit Unions Management organized by Asian Confederation of Credit Unions (ACCU) and Credit Union League of Thailand Limited (CULT) in Thailand.



Mr. KORN Vichith

Head of Finance Dept.

Mr. **KORN VICHITH** was Born on March 4, 1976, He graduated with a Bachelor of Business Administration in Accounting and Finance from Build Bright University in 2008. In 1995, he first joined a private bank in Phnom Penh as a bank employee and he was promoted the position subsequently and the last he was the assistant to the head of finance department. In 2009, he moved to work with the Korean Investment Microfinance Institution as a manager of the accounting and finance department. Then, in 2018, he moved to take part in one microfinance institution that is a Cambodian shareholder. there, he was the manager of the finance department, and then until 2021 he was promoted as deputy general manager. He organized and managed the day-to-day operations of all departments of the institution. He has attended many training courses related to the banking and microfinance sector such as Cambodian Microfinance Association, Credit Bureau Cambodia, National Bank of Cambodia, National Tax School, during 2022 He attended in 6 months training course on CIFRS for SMEs at CamEd Business School, other relevant ministries and also participation in the other seminars. until now He has spent more than 20 years with his career in banking and microfinance sector. At the beginning of December 2023 He, recently, moved to work with **Futaba** Microfinance Plc., which has the role of Head of Finance Department.



We keep our momentum of strong commitment to provide a wide range of excellent products and services to all our customers.

4

Risk Management and Internal Control

- Risk and Compliance Management
- Internal Audit

Risk and Compliance Management

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

Board of Directors has decided to establish the Risk, Legal, and Compliance Department which has been in charge in and responsible by Head of Risk, Legal, and Compliance to ensure that **FUTABA**'s risk occurring and compliance management is taken, by overseeing the internal control in place to identify, assess and manage internal and external risks that could present threats to **FUTABA**'s operation and ensure that practices and procedures are fully complied with laws and regulations. In addition, the department also responsible for monitoring compliance aspect with the internal policies, procedures and guidelines related to compliance, including checking the efficiency on adherence of established policies and liaises internal and external functions in matters of compliance and managing compliance risks. In the process of measurement of qualifications and work experience of the responsible persons in compliance area, the compliant representative was checked and recognized by the National Bank of Cambodia on August 29, 2018 with fully completed the certificate of Regulatory Compliance by Institute of Banking and Finance and had re-certified certificate of Regulatory Compliance every 3 years which acknowledged by Institute of Banking and Finance on March 26, 2024. Additionally, the Legal and Compliance Department is responsible for overseeing on Anti-Money Laundering and Combating Financing Terrorism, and Combating the Financing of Proliferation of Weapons of Mass Destructions, which is reported and cooperated with the Financial Intelligent Unit of the National Bank of Cambodia.

Risk and Compliance Committee

FUTABA Microfinance Plc., has formed the Risk and Compliance Committee in board level on November 01, 2019, chaired by an Independent Board of Director and also made the first amendment to the terms of reference of this committee on August 01, 2024. Head of Risk, Legal, and Compliance is a coordinator for discussing the reports with all departments or managements and review the adequacy and completeness of the compliance risk analysis which required by laws and regulations. Significant compliance risks are highlight and reported to the Board of Directors for reviewing and commended back in timely compliance and resolution. In addition, the Risk, Legal, and Compliance Department is also a member of the management committee, which consists of the Information Technology Risk Management Committee, the Information Technology Strategy Committee and the Information Technology Steering Committee, to oversee and properly implement the information technology sector.

Meeting and Meeting and Membership

The Risk and Compliance Committee meetings are held at least twice a year, and shall be invited by the Chairman of the committee or members. Actually in 2024, this committee meeting was held two times such as the first meeting held on September 23, 2024 at Head Quarter and the second on December 09, 2024 at Head Quarter of **FUTABA** Microfinance Plc.

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

1) Mr. NGET Sovannaro	Independent Board of Director	Chairman
2) Mr. Junichi SASAKI	Board of Director	Member
3) Mr. SAR Phearom	Head of Risk, Legal, & Compliance Dept	Member/Secretary

- Duties & Responsibilities

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

Internal Audit

Internal Audit must be an independent side which monitor and report overall implementation processes of the institution. **FUTABA** 's Internal Audit was first established in July 2017, in charged by Internal Audit Unit Manager. This position has been changed and re-recognized by NBC on September 28, 2020. Internal Audit Unit Manager is responsible for conducting audit tasks and all operating inspections within **FUTABA** Microfinance Plc., as well as audit planning, updating audit program and training staff for the necessary need to improve the quality of audit. In accordance with annual audit plan, at least two times a year, shall be audited at each branch and once a year for significant department. Internal Audit side is independent of all **FUTABA**'s operations and reports directly to Audit Committee in Board level. In fact, in 2024, Internal Audit also reported the internal audit reports to Board of Directors about the performance and key issues finding of the institution's operations under managing by management team, department and branch.

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

Audit Committee (AC)

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

Meeting and Membership

The meeting of Audit Committee shall be called by the Chairman of the committee at the request of any of its members or at the request of external or internal auditors if they consider it is necessary. A statement of place, time and agenda of the meeting to be discussed shall be sent to all members and stakeholders who attend the

meeting at least 5 (five) working days. Relevant documents must be sent all members and other participants at the same time. Extraordinary meetings may be held as appropriate, but ordinary meeting shall be held at least twice a year, in June and December of each year depending on the circumstances. In fact, in 2024, this committee meeting was held two times. The first held by directly on September 23, 2024 at Head Quarter and second by directly on December 09, 2024.

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

• Mr. HEAN Sokhom	Independent Board of Director	: Chairman
• Mr. Junichi SASAKI	Board of Director	: Member
• Mr. KHAM Reoun	Internal Audit Unit Manager	: Member/Secretary

Duties & Responsibilities

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

5

Performance Highlights

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

Loan Performance by Sectors

Number of Accounts

Sectors	2024	2023	2022
Agriculture, Forestry & Fishing	42	21	42
Commerce and Trade	167	112	111
Construction	245	44	57
Transportation	33	34	36
Service	29	33	15
Household / Family	496	639	528
Other Categories	3	-	0
Total	1,015	883	789

Gross Loan Portfolio

Sectors	2024	2023	2022
Agriculture, Forestry & Fishing	495,264	301,653	602,506
Commerce and Trade	2,997,653	2,213,001	2,356,068
Construction	3,528,788	672,623	923,082
Transportation	601,182	532,038	632,444
Service	483,093	755,092	377,365
Household / Family	7,222,918	9,908,669	8,404,454
Other Categories	15,345	-	-
Total	15,344,243	14,383,076	13,295,920

Loan Performance by Products

Number of Active Accounts

Sectors	2024	2023	2022
Business Loan	238	204	184
Consumption Loan	506	408	324
Agriculture Loan	40	32	40
Housing Loan	174	180	185
Staff Loan	36	35	33
Education Loan	3	3	3
Employee Loan	18	21	20
Total	1,015	883	789

Gross Loan Portfolio

Sectors	2024	2023	2022
Business Loan	4,250,573	3,903,318	3,889,124
Consumption Loan	6,663,463	5,710,469	4,223,865
Agriculture Loan	456,323	435,983	582,821
Housing Loan	3,649,202	4,013,953	4,267,818
Staff Loan	298,124	280,523	265,797
Education Loan	2,469	2,948	792
Employee Loan	24,089	35,882	37,414
Total	15,344,243	14,383,076	13,267,631

Classifying the Loan Types by Main Categories

Gross Loan Portfolio			
Types	2024	2023	Variance
Micro Loan	371,071	293,813	26.29%
Small Loan	6,070,319	5,083,382	19.41%
Medium Loan	8,003,047	8,293,151	(3.50%)
Large Loan	899,806	712,731	26.25%
Total	15,344,243	14,383,076	6.68%

Classifying the Loan Products by Main Categories

Gross Loan Portfolio			
Types	2024	2023	Variance
Business Loan	4,250,573	3,903,318	8.9%
Consumption Loan	6,663,463	5,710,469	16.7%
Agriculture Loan	456,323	435,983	4.7%
Housing Loan	3,649,202	4,013,953	(9.1%)
Staff Loan	298,124	280,523	6.3%
Education Loan	2,469	2,948	(16.3%)
Employee Loan	24,089	35,882	(32.9%)
Total	15,344,243	14,383,076	6.68%

6

Capacity Building

- Internal Staff Training
- External Staff Training
- Annual Workshop

Capacity Building

Training to strengthen staff capacity is a key activity in human resource development, such as expanding understanding, increasing additional skills and new perspectives for employees to perform their jobs more effectively, as well as helping to increase the growth of both employees and the institution. **FUTABA'** leader always encourages the Human Resources and Administration Department, coordinating with other departments, to organize and provide regular training courses for employees, both new and existing, including

- Internal Staff Training

For 2024, a total of 48 internal training sessions were held, including 13 for new employees and 35 for current employees.



Internal Staff Training

- External Staff Training

Encouraging management and staff to participate in external training is the institution's strategy to increase the knowledge, skills, and new experiences of staff in order to work more effective, promote careers, and increase the ability to develop work in the institution in order to progress effectively. This is an indispensable requirement that **FUTABA's** management always encourages and implements on a regular basis. In fact, for 2024, **FUTABA** sent top management and staff to participate in external training courses as well as various seminars a total of 25 times.



- Annual Workshop

The annual workshop is organized with the primary purpose of creating a valuable opportunity for leadership and all employees from various branch offices to gather. This event serves as a platform for sharing reports on actual business performance achieved throughout the year, as well as setting new strategic plans for implementation and institutional development to ensure further success and growth. Additionally, the workshop is honored by the esteemed presence of the Chairman of the Board of Directors and independent board members, making the 2024 workshop even more engaging, warm, and united resembling a large family gathering. It is also noteworthy that the 2024 workshop is held in Phnom Penh under the theme "Annual Workshop summarizing the results of the year 2024 and implementation directions for the following year." A total of 96 participants, including senior managements and employees, are attending this event.



Annual Workshop Activities

7

Financial Statements & Independent Auditor's Report

- Report of the Board of Directors
- Report of the Independent Auditors
- Statement of Financial Position
- Statement of Comprehensive Income
- Statement of Changes in Equity
- Statement of Cash Flows

Report of the Board of Directors

The Board of Directors (the “Board” or “Directors”) hereby submit their report together with the audited financial statements of **FUTABA** Microfinance Plc. (“the Company”) for the year ended 31 December 2024 (the “financial year” or “year”).

Principal activities

The principal activity of the Company is to provide sustainable micro-finance services to small and medium enterprises and individuals through its head office and four branches located in Phnom Penh, Kampong Speu and Takeo provinces. There have been no significant changes in the nature of this activity from the previous financial year.

Financial results

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

		2024		2023
	US\$	KHR'000	US\$	KHR'000
Profit before income tax	414,305	1,686,636	409,423	1,682,729
Income tax expense	(107,287)	(436,765)	(148,959)	(612,221)
Net profit for the year	307,018	1,249,871	260,464	1,070,508

Dividends

No dividend was declared or paid and the Directors do not recommend any dividend to be paid during the financial year.

Share capital

The paid-up capital of the Company as at 31 December 2024 is US\$7,000,000 (2023: US\$7,000,000) with a par value of US\$1,000 per share. Refer to Note 14 for the detailed Company's share capital and shareholding structure.

Reserves and provisions

There were no material transfers to or from reserves and provision during the financial year other than amount as disclosed in the financial statements.

Bad and doubtful debts

Before the financial statements of the Company were prepared, Directors took reasonable steps to ascertain that action has been taken in relation to the write-off of bad debts and the allowance for doubtful debts, and satisfied themselves that there were no known bad debts and no allowance was necessary for doubtful debts.

At the date of this report, the Directors are not aware of any circumstances that would render it necessary to write off bad debts or to make an allowance for doubtful debts in the financial statements of the Company, to any material extent.

Current assets

Before the financial statements of the Company were prepared, the Directors took reasonable steps to ensure that any current assets, that were unlikely to be realised in the ordinary course of business at their value as shown in the accounting records of the Company had been written down to an amount that they might be expected to realise.

At the date of this report, the Directors are not aware of any circumstances that have arisen to render

the value attributed to the current assets in the financial statements of the Company misleading.

Valuation methods

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

Contingent liabilities

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

- (i) Any charge on the assets of the Company that has arisen since the end of the financial year that secures the liabilities of any other person, or
- (ii) Any contingent liability in respect of the Company that has arisen since the end of the financial year other than in the ordinary course of its business operations.

No contingent or other liability of the Company has become enforceable, or is likely to become enforceable, within the period of 12 months after the end of the financial year that, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations when they fall due.

Changes of circumstances

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

Items of an unusual nature

The results of the operations of the Company for the financial year were not, in the opinion of the Directors, materially affected by any items, transactions or events of 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 material and unusual nature likely, in the opinion of the Directors, to effect substantially the results of the operations of the Company for the financial year in which this report is made.

Events since the reporting date

At the date of this report, except as disclosed in the financial statements, there have been no significant events occurring after the reporting date that would require adjustments or disclosures to be made in the financial statements.

The Board of Directors

The members of the Board of Directors during the year and at the date of this report are:

1. Mr. Chreuk Phally	Chairman
2. Mr. Junichi Sasaki	Director
3. Mr. Nget Sovannaro	Independent Director
4. Mr. Hean Sokhom	Independent Director

Directors' interests

None of the Directors held or dealt directly in the shares of the Company during the year.

Directors' benefits

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

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

Statements of Directors' responsibility in respect of financial statements

The Board of Directors is responsible to ascertain that the financial statements are presented fairly, in all material respects, the financial position of the Company as at 31 December 2024 and of its financial performance and its cash flows for the year then ended in accordance with Cambodian International Financial Reporting Standards for Small and Medium-sized Entities ("CIFRS for SMEs").

In preparing those financial statements, the Board of Directors is required to:

- (i) adopt appropriate accounting policies that are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- (ii) comply with CIFRS for SMEs, and, 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 Company's financial reporting process and maintain adequate accounting records and an effective system of internal control;
- (iv) assess 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; and
- (v) effectively control and direct the Company in all material decisions affecting the operations and performance and ascertain that such matters 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

The Board of Directors hereby approves the accompanying financial statements as set out on pages 8 to 37 which present fairly, in all material respects, the financial position of FUTABA Microfinance Plc. as at 31 December 2024, and its financial performance and its cash flows for the year then ended, in accordance with CIFRS for SMEs.

Signed in accordance with a resolution of the Board of Directors.



Mr. Chreuk Phally
Chairman

Phnom Penh, Kingdom of Cambodia
28 March 2025

Report of the Independent Auditors

To the shareholder FUTABA Microfinance Plc.

Opinion

We have audited the financial statements of **FUTABA** Microfinance Plc. (“the Company”), which comprise the statement of financial position as at 31 December 2024, and the statements of 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 8 to 37.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with Cambodian International Financial Reporting Standards 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 Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Comparative information

We draw attention to Note 27 to the financial statements which indicates that the comparative information presented as at and for the year ended 31 December 2023 has been restated. Our opinion is not modified in respect of this matter.

Other matters

The financial statements of the Company as at 31 December 2023 were audited by another auditor, who expressed an unqualified audit opinion on those statements on 29 March 2024.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditors’ report is the information included in the Report of the Board of Directors as set out on pages 1 to 4, 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 these financial statements 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 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 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 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 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 audit 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 condition 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 disclosure, 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 Fii&Associates Co., Ltd



Seng Chanthan
Audit Partner

Phnom Penh, Kingdom of Cambodia

28 March 2025

Statement of Financial Position

As at 31 December 2024

	2024		2023	
	USD	KHR'000	USD	KHR'000
ASSETS				
Cash on hand	17,967	72,317	18,466	75,434
Deposits and placements with the NBC	364,670	1,467,797	360,140	1,471,172
Deposits and placements with banks	34,000	136,850	466,587	1,906,008
Loans to customers	14,798,620	59,564,446	14,383,076	58,754,865
Other assets	216,794	872,596	173,396	708,323
Property and equipment	117,016	470,989	178,372	728,650
Intangible assets	412	1,658	825	3,370
Total Assets	15,549,479	62,586,653	15,580,862	63,647,822
LIABILITIES AND EQUITY				
Liabilities				
Other payables	116,185	467,644	62,031	253,397
Minimum tax liability/Current income tax liability	1,758	7,076	-	-
Amounts due to shareholder	5,537,182	22,287,158	6,037,182	24,661,888
Deferred tax liabilities-net	366,490	1,475,122	260,803	1,065,380
Total Liabilities	6,021,615	24,237,000	6,360,016	25,980,665
Equity				
Share capital	7,000,000	28,000,000	7,000,000	28,000,000
Regulatory reserves	2,508,990	10,257,176	1,441,382	5,899,110
Retained earnings	18,874	45,399	779,464	3,153,594
Currency translation differences	-	47,078	-	614,453
Total Equity	9,527,864	38,349,653	9,220,846	37,667,157
Total Liabilities and Equity	15,549,479	62,586,653	15,580,862	63,647,822

Statement of Comprehensive Income

For the year ended 31 December 2024

	2024		2023	
	USD	KHR'000	USD	KHR'000
Interest income	1,927,137	7,845,375	1,881,749	7,733,988
Interest expense	(88,502)	(360,292)	(94,507)	(388,424)
Net interest income	1,838,635	7,485,083	1,787,242	7,345,564
Other operating income	87,122	354,674	96,787	397,795
Total operating income	1,925,757	7,839,757	1,884,029	7,743,359
Employee expenses	(895,234)	(3,644,498)	(865,756)	(3,558,257)
Operating and administrative expenses	(478,575)	(1,948,279)	(499,285)	(2,052,061)
Impairment losses on loans to customers	(117,583)	(478,680)	(109,565)	(450,312)
Minimum tax expense	(20,060)	(81,664)	-	-
Profit before income taxes	414,305	1,686,636	409,423	1,682,729
Income taxes expense	(107,287)	(436,765)	(148,959)	(612,221)
Net Profit for the year	307,018	1,249,871	260,464	1,070,508
Other comprehensive loss				
Currency translation differences	-	(567,375)	-	(293,244)
Total comprehensive income for the year	307,018	682,496	260,464	777,264

Statement of Changes in Equity

For the year ended 31 December 2024

	Share capital		Regulatory reserves		Retained earnings		Currency translation differences		Total	
	USD	KHR'000	USD	KHR'000	USD	KHR'000	USD	KHR'000	USD	KHR'000
At 1 January 2023	7,000,000	28,000,000	798,749	3,257,888	1,161,633	4,724,308	-	907,697	8,960,382	36,889,893
Comprehensive income for the year	-	-	-	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	260,464	1,070,508	-	-	260,464	1,070,508
Transfers (As restated)	-	-	642,633	2,641,222	(642,633)	(2,641,222)	-	-	-	-
Other comprehensive loss	-	-	-	-	-	-	-	-	-	-
Currency translation difference	-	-	-	-	-	-	(293,244)	-	(293,244)	-
Total comprehensive income/ (loss) for the year	-	-	642,633	2,641,222	(382,169)	(1,570,714)	-	(293,244)	260,464	777,264
At 31 December 2023 (As restated)	7,000,000	28,000,000	1,441,382	5,899,110	779,464	3,153,594	-	614,453	9,220,846	37,667,157
At 1 January 2024	7,000,000	28,000,000	1,441,382	5,899,110	779,464	3,153,594	-	614,453	9,220,846	37,667,157
Comprehensive income for the year	-	-	-	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	307,018	1,249,871	-	-	307,018	1,249,871
Transfers (As restated)	-	-	1,067,608	4,346,232	(1,067,608)	(4,346,232)	-	-	-	-
Other comprehensive loss	-	-	-	-	-	-	-	-	-	-
Currency translation difference	-	-	-	-	-	-	(567,375)	-	(567,375)	-
Total comprehensive income/ (loss) for the year	-	-	1,067,608	4,346,232	(1,067,608)	(4,346,232)	-	(567,375)	307,018	682,496
At 31 December 2024	7,000,000	28,000,000	2,508,990	10,257,176	18,874	45,399	-	47,078	9,527,864	38,349,653

Statement of Cash Flows

For the year ended 31 December 2024

	2024		2023	
	USD	KHR'000	USD	KHR'000
Cash flows from operating activities				
Profit before taxes	307,018	1,249,871	260,464	1,070,508
Adjustment for:				
Minimum tax expense	20,060	81,664	-	-
Income tax expense	107,287	436,765	148,959	612,221
Impairment losses on loans to customers	117,583	478,680	109,565	450,312
Depreciation and amortisation	56,589	230,373	63,069	259,214
Gain on disposals of property and equipment	(370)	(1,506)	(1,009)	(4,147)
Written off of property and equipment	12,449	50,680	-	-
	620,616	2,526,527	581,048	2,388,108
Changes in:				
Loans to customers	(533,127)	(2,170,360)	(1,196,721)	(4,918,523)
Other assets	(43,398)	(176,673)	5,526	22,712
Other payables	54,154	220,461	(56,127)	(230,682)
Cash generated from/(used in) operations	98,245	399,955	(666,274)	(2,738,385)
Minimum and income tax paid	(19,902)	(81,021)	(16,214)	(66,640)
Net cash generated from/(used in) operating activities	78,343	318,934	(682,488)	(2,805,025)
Cash flow from investing activities				
Proceeds from disposals of property and equipment	370	1,506	1,009	4,147
Acquisition of property and equipment	(7,269)	(29,592)	(143,060)	(587,977)
Acquisition of intangible assets	-	-	(825)	(3,391)
Net cash used in investing activities	(6,899)	(28,086)	(142,876)	(587,221)
Cash flows from financing activities				
Additional borrowings	500,000	2,035,500	-	-
Repayment of borrowings	(1,000,000)	(4,071,000)	(500,000)	(2,055,000)
Net cash used in financing activities	(500,000)	(2,035,500)	(500,000)	(2,055,000)
Net decrease in cash and cash equivalents	(428,556)	(1,744,652)	(1,325,364)	(5,447,246)
Cash and cash equivalents at 1 January	495,193	2,022,864	1,820,557	7,495,232
Currency translation differences	-	(9,998)	-	(25,122)
Cash and cash equivalents at 31 December	66,637	268,214	495,193	2,022,864

FUTABA's Corporate Partner

Partners



Lenders



Any Inquiry or Complaints

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