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WB FINANCE

# ANNUAL REPORT 2018

WB FINANCE

A FAMILY MEMBER OF WOORI BANK, KOREA



# Inside WB Finance's 2018 Annual Report

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# CORPORATE PROFILE

## WHO WE ARE

At WB Finance Microfinance Institution, we have a clear purpose to help make financial lives better through the power of every connection. We fulfil this purpose through a strategy of responsible growth, which includes a focus on the developing Cambodia's wealth and the economic potential.

WB Finance (formerly known as VisionFund Cambodia) is one of the leading Microfinance institutions in Cambodia, and a family member of Woori Bank, a leading commercial bank in Korea established in 1899.

We are driving growth – helping to create jobs, develop communities, foster economic mobility and address society's biggest challenges – while managing risk and providing a return to our clients and our shareholders. As we identify that we can only be successful when the individuals, companies, communities and employees we serve are able to reach their vision of success.

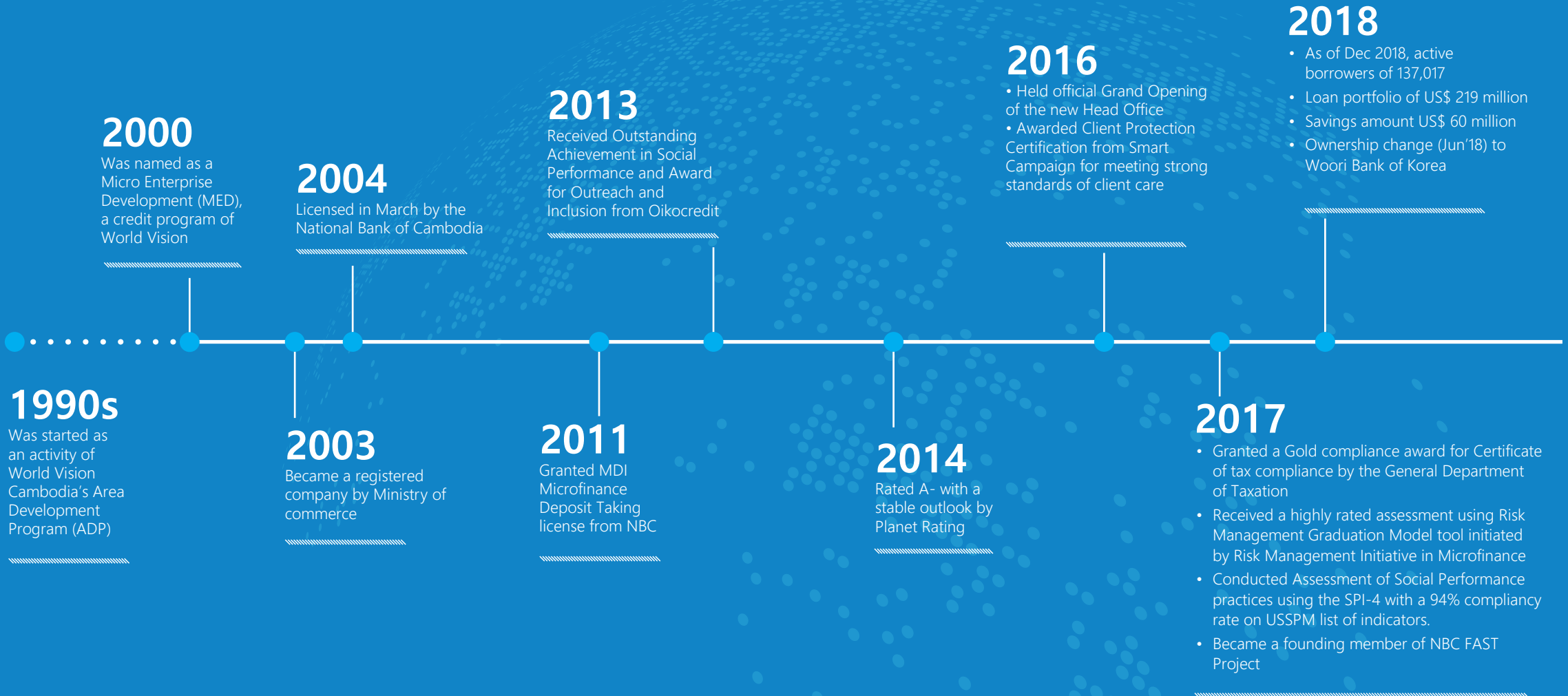
### VISION

Our vision for every Cambodian, life in all its fullness.

### MISSION

To be the leading financial institution that delivers economic potential for Cambodia to thrive.

## MILESTONES



# WOORI BANK OVERVIEW

Woori Bank is a leading commercial bank in Korea established in 1899.

Woori Bank is one of the top commercial banks in Korea with its extensive international networks across the globe.

The year 2018 marks the 119th anniversary of Woori Bank, having maintained a history of over one hundred years. The bank intends

to grow for another century and beyond to become a financial brand that will be there for you always.

As the bank takes business to the next level based on the trust of customers and shareholders, it will make sure to repay their trust with bigger profits and enhanced levels of satisfaction.

THE MOST WELL-KNOWN BANK OF SOUTH KOREA THAT  
PROVIDES LEADING BANKING SERVICES



## MESSAGE FROM BOARD CHAIRMAN

### TWO-SIDED COIN OF TRANSITION OF VISIONFUND TO WB FINANCE!

2018 was the year of transformation of WB Finance. The first half of the financial year was under the previous ownership of VisionFund International, with the change of ownership to Woori Bank of South Korea taking place in the second half of the year. The two owners are quite different from each other, in terms of the outreach strategy and ambition.

I am delighted to become the Board Chairman after the acquisition of VisionFund (Cambodia), following Jason Evans, who have been as a BOD Chairman from 2013 through to June 2018. We thank God for the smooth transition of the company, and that it has been viewed positively by both Staff and Management on the transition. The former CEO Michael Spingler, contributed to the smooth transition by continuing to serve the institution through until end of February 2019.

The year past was mixed with different results. The first-half was prepared before the acquisition, while the second-half was performing with strong growth. By the end of 2018, the loans and financial services offered having positive impact to more than 345 thousand children. Company's loan portfolio increased to more than \$218 million USD

(28% increase). At the same time, WB Finance has served more than 137,000 borrowers and 117,000 depositors. The default rate has substantially decreased from 1.73% in Dec'17 to 0.69% in Dec'18.

With the new leadership of Mr. Kim Sun Kyu (the Newly appointed CEO from March 2019), I am confident that WB Finance will continually and positively grow. He will bring his countless experiences from more than 30 years in Commercial Banking into this wonderful Microfinance in Cambodia, which is WB Finance.

Understanding that there are challenges laying ahead, and I am confident that WB Finance staff and leadership will remain steadfast and manage the institution prudently with stronger internal control, and product diversification in order to better serve from retail to corporate clients and also to aim to be the number one financial institution in the near future.



**CHRISTOPHER JOHN BRYAN**  
BOARD CHAIRMAN



**MR. CHRIS BRYAN**  
BOARD CHAIRMAN, WB FINANCE



**“By end of 2018, company's loan portfolio increased to more than \$218 million USD (28% increase).”**

## MESSAGE FROM CEO



MR. KIM SUN KYU  
CEO, WB FINANCE

**“WB Finance’s management and staff working under the new roof of Woori Bank, one of the leading banks in Korea, are committed to deliver the best possible financial services to help improve living standard of our customers, and to be the leading financial institution that delivers economic potential for Cambodia to thrive.”**

2018 is a transformation year for WB Finance, under a new ownership of Woori Bank of South Korea, which brings about positive impacts on its sustainable growth and wider outreach to support local communities across Cambodia. WB Finance is committed to continue to serve its existing and potential customers by providing in-need and efficient full financial services with strong financial base, transparency, good governance and innovations.

Cambodia’s economic growth remained strong, reaching 7.1 percent in 2018, according to World Bank report. Against

this background, WB Finance has dedicated to grow both in terms of assets and its physical offices to better serve customers. As of December 2018, WB Finance has 15 Regional Offices, with 106 Branch Offices, serving more than 137,000 customers all over Cambodia. We have planned to expand 10 new branches throughout Cambodia’s provinces and cities in 2019. Meanwhile, our assets have grown to 22% from last year, reaching US\$ 240 Millions, and profit increased to 35% reaching more than US\$ 4.1 million.

WB Finance is moving forwards with its digital outlook, having launched its Mobile Banking early 2018, providing convenient financial transactions to our customers including view account balance, perform loan repayments, and transfer money within WB Finance accounts for free at their convenient times and places. WB Finance incorporates innovative systems and technology to our daily operations where our staff can perform loan application and collection anywhere through iPad, making the process very fast and efficient.

To support SME Sector in Cambodia, in April 2018, WB Finance has rolled out the increased SME loan size up to US\$ 50,000 with flexible loan payments and terms to further support the capital needs of new startups and entrepreneurs to start and expand their businesses.

In alignment to the slogan “2019, the Year of Global Quantum Jump” of Woori Bank (our headquarter), WB Finance is looking forwards to it’s continued significant growth

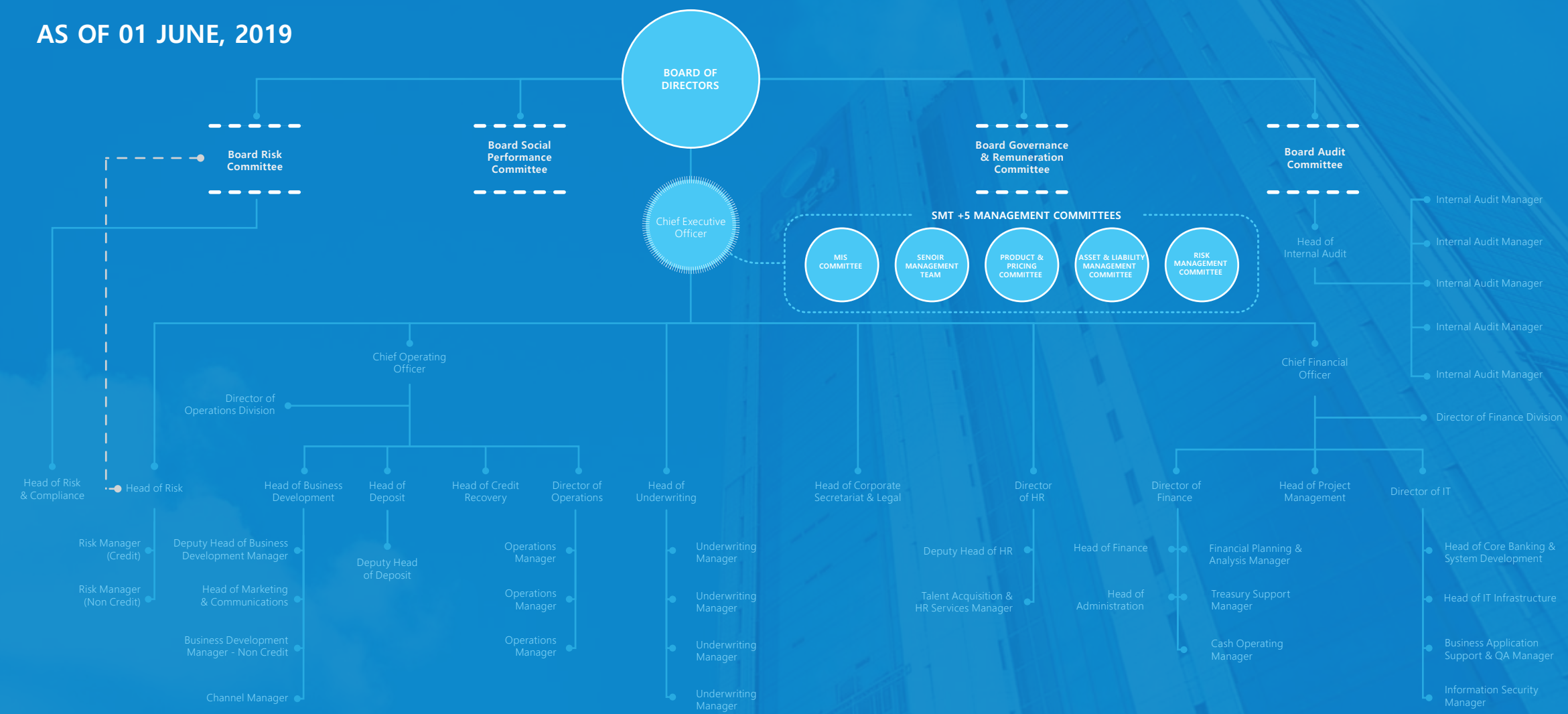
in 2019. To better provide one-stop services to our customers, WB Finance will work in collaborations with potential partners including Grab, money transfer agents, bill payment partners, and stakeholders in Cambodia. In response to innovative financial needs of our prospective customers, WB Finance will continue to enhance our Mobile Banking by adding more financial transactions, services and functionalities, improve its core systems, and to fully integrate with Cambodia Shared Switch (CSS) and the setup of our new advanced ATMs.

I would like to convey my deep gratitude to Mr. Michael John Spingler, our former CEO, management and staff for all their dedication to achieve the remarkable growth and to accomplish the smooth transformation of WB Finance. I also would like to extend my appreciation to customers for their trust, and partners for their strong supports and well cooperation. I look forwards to continue to provide the best possible financial services to our customers, partners and stakeholders in the years to come.

**KIM SUN KYU**  
CHIEF EXECUTIVE OFFICER

# ORGANIZATIONAL CHART

AS OF 01 JUNE, 2019



## BOARD OF DIRECTORS PROFILE



MR. CHRISTOPHER  
JOHN BRYAN  
BOARD CHAIRMAN

Mr. Chris Bryan, a New Zealand citizen, has a Lincoln University degree and an agribusiness background, with experience in rural finance, farm management, corporate and market development, exporting and business planning. His work included senior management roles in the stock and station, meat and deer industries, export marketing and investment businesses. As a member of the NZ Prime Minister's Advisory Group, for nearly three years, he advised two Prime Ministers on matters related to the primary sector.

Mr. Chris is fully competent in all aspects of leadership through staff management, planning, compliance, and financial reporting disciplines. He is a director and sits on the board of several companies and community/charitable organization in New Zealand and off shore, and primarily focuses on good governance.



MS. FIONA WHYTE  
BOARD MEMBER

Ms. Fiona Whyte, a New Zealand citizen, volunteered through the "Bankers with Vision" program for VisionFund Cambodia. She has 5 years regulation experience in New Zealand, prior to this 23 years of banking experience in New Zealand, including 12 years in Foreign Exchange Risk Management. Ms. Fiona studied International Business and Management at Massey University in 2007. Ms. Fiona currently works at the Financial Markets Authority in NZ and also served a term as a Trustee on the board of World Vision NZ.



MR. KIM SUN KYU  
BOARD MEMBER &  
CHIEF EXECUTIVE  
OFFICER

Kim Sun Kyu Joined W.B Finance as Chief Executive Officer in February 2019. He has a lot of commercial bank experiences at Woori Bank in Korea. Since he joined Woori Bank in 1979, he has gained an in-depth knowledge and extensive experience of the financial services. He was responsible for the sales part at the several branches mainly specialized in the loan part. He was in charge of personal and corporate loans, and served as a corporate loan underwriter for 8 years. After serving as a general manager at several branches for 5 years, he was promoted to the senior general manager, responsible for the corporate and individual loan management for 2 years.

In December 2015, he was appointed as an executive director of corporate restructuring and has worked on a number of restructuring and M & A transactions for large companies. Since 2016, he served as a vice president of the loans department until December of 2018.

He previously served with Woori Bank Seoul, and before joining W.B Finance, he was the Executive Vice President. He has also served as Managing Director of Corporate Restructuring Division.

He holds Bachelor's Degree of Trading which was from Sejong University. He also achieved Professional Qualification Certificate from Fund Investment Advisor as Loan Officer and Credit Analyst.



MR. CHO  
BACK HYUN  
BOARD MEMBER

Mr. Cho Back Hyun is a banker with over 22 years with Woori Bank of Korea. He has been in various positions across the organization, including his current position as the head of internal control including compliance and anti-money laundering of Woori Bank's overseas networks. His past positions include budget, finance and strategy planning.



MR. KIM  
CHANG YEON  
BOARD MEMBER

Kim joined W.B Finance in June 2018 with over 32 years of extensive financial and operational management experience in banking services, trading, investment, treasury and international trade services.

He previously served with Woori Bank Seoul, and before joining W.B Finance he was the Head of International Trade Service Center. He has also served General Manager of Treasury Department.

He holds a Bachelor of Business Administration from Sogang University in Seoul. He also earned Chartered Financial Analyst from C.F.A Institute in 2005.

# THANK YOU

our former Board  
Members who  
ended their term  
in 2018:



MR. CHEONG  
CHIN KUAN  
BOARD MEMBER



MR. JASON  
JAMES EVANS  
CHAIRMAN



MR. MICHAEL JOHN  
SPINGLER  
BOARD MEMBER &  
CHIEF EXECUTIVE  
OFFICER



MR. CHAP VIBOL  
BOARD MEMBER



MR. LIOW YEE KAI  
BOARD MEMBER

## SENIOR MANAGEMENT TEAM PROFILE



MR. KIM SUN KYU  
BOARD MEMBER &  
CHIEF EXECUTIVE  
OFFICER

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MR. KIM  
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OFFICER

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He holds a Bachelor of Business Administration from Sogang University in Seoul. He also earned Chartered Financial Analyst from C.F.A Institute in 2005.



MS. TOP SOK  
SAMPHEA  
CHIEF OPERATING  
OFFICER

Ms. Top Sok Samphea joined WB Finance in 2002 as the director for finance and administration. She became Chief Operating Officer in 2008. Prior to joining WB Finance, Samphea served as a senior auditor at Ernst & Young and PricewaterhouseCoopers. She is currently on the Board of the Cambodia Micro-finance Association.

Born in Phnom Penh, Samphea has more than a decade of experience in finance, accounting, management, business planning and strategies, auditing, administration and communications.

She earned her Bachelor's Degree and Master's Degree in Business Administration from the National University of Management, Cambodia. She also holds a Diploma in Accounting and Administration from Noisy Le Grand College, France.



MR. PREAP PISETH  
DIRECTOR OF  
OPERATIONS

Born in Kandal province, Piseth has more than a decade's experience in development, customer services, sponsorship management, leadership and management, and public communication and administration. His career with WB Finance began in 2008. He previously served World Vision International-Cambodia and the Secretariat for Public Functions of the Royal Government of Cambodia.

Piseth holds a Master of Business Administration from Anglia Ruskin University, FTMS Campus in Singapore. He also holds a Bachelor of Economics in Enterprise Management and an Associate Degree in Professional Law from the Royal University of Law and Economics (RULE), Cambodia.



MR. EAT BUNRET  
DIRECTOR OF  
FINANCE

Bunret joined WB Finance in 2008 as Head of Internal Audit, moved to be Head of Finance & Administration in 2015 and to current role as Director of Finance from 2018.

He has more than a decade of experience in accounting and finance, business planning, administration, internal control and auditing, tax, management and leadership. Before joining WB Finance, he spent 5 years working as internal auditor and external auditor for International NGO and internal auditing firm.

He holds a Bachelor of Business Administration from the National University of Management, majoring in Accounting. He attended many local and international trainings on accounting and finance, microfinance, liquidity management, risk management, consulting, internal control, internal auditing, fraud auditing and forensic accounting in Singapore, Italy, Indonesia, Philippines, Uganda, and Vietnam.



MR. VA  
LUONG SORIN  
DIRECTOR OF IT

Currently serving as Director of IT for WB Finance, Sorin possesses progressive and extensive experiences in IT information system management, detailed analysis and designing of IT system architectures, enterprise system integration and project management.

Prior to joining WB Finance Cambodia, Sorin served as Head of Business Support Systems and Architecture Development with Beeline, an International Telecom. He has also worked as senior IT Consultant and as Senior Program Analyst internationally with Management Information System Division of Satellite, Telecom and ISP Company, Thaico Ltd in Bangkok, Thailand. Sorin has a Master's Degree in IT (MScIT) with an International University of KMUTNB in Bangkok, Thailand.



MR. CHHAY PANHA  
DIRECTOR OF HR

Panha joined WB Finance in 2004 as Credit Officer and since then he has progressively grown his career in various positions within the company. He has led HR department since 2009.

Panha is from Kampong Thom Province, and has a Master of Business Administration from Norton University in 2009. He has attended various local and international training programs related to human resource management, business and leadership including international programs in Bangkok, Italy, London, Singapore, Tanzania and Tokyo.

# 2018 BUSINESS HIGHLIGHTS



# FINANCIAL HIGHLIGHTS

## A. KEY FIGURES

	Dec-18	Dec-17
Number of Active Borrowers	137,017	144,881
% of women borrowers	88%	91%
% of Rural Borrowers	79%	81%
% of Agricultural Borrowers	56.75%	60.09%
Number of Regional Offices	15	20
Number of Districts covered	190	189
Total Staff	1,429	1,389
<b>Loan Portfolio</b>	<b>\$218,530,340</b>	<b>\$170,122,486</b>
Average portfolio per borrower	\$1,595	\$1,174
Average portfolio per Client Service Officer	\$318,094	\$254,674
Portfolio at risk > 30 days	0.69%	1.73%
Savings Value	\$60,257,507	\$45,127,590
Number of Savers	117,478	78,500
<b>Total Assets</b>	<b>\$240,109,716</b>	<b>\$196,023,894</b>
<b>Total Equity</b>	<b>\$38,481,755</b>	<b>\$34,320,160</b>
Return of Equity (ROE)	10.81%	9.39%
Return on Assets (ROA)	1.73%	1.70%

### Loans methodologies by client number

Group Lending	47.61%
Individual Lending	52.39%

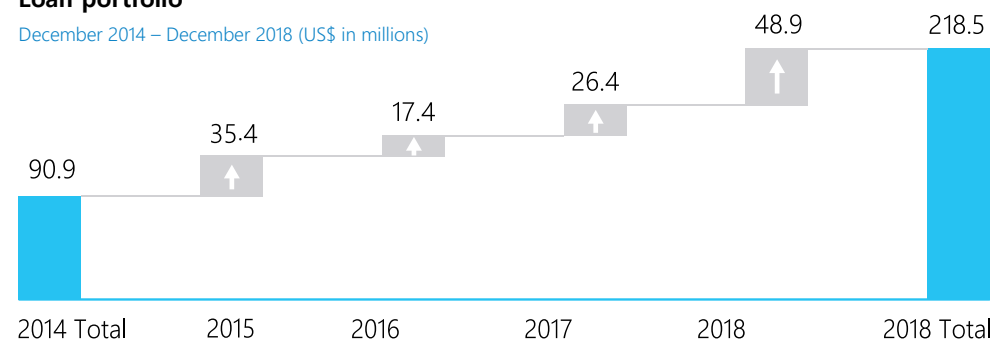
### Loans methodologies by portfolio size

Group Lending	10.15%
Individual Lending	89.85%

## B. GROWTH TREND

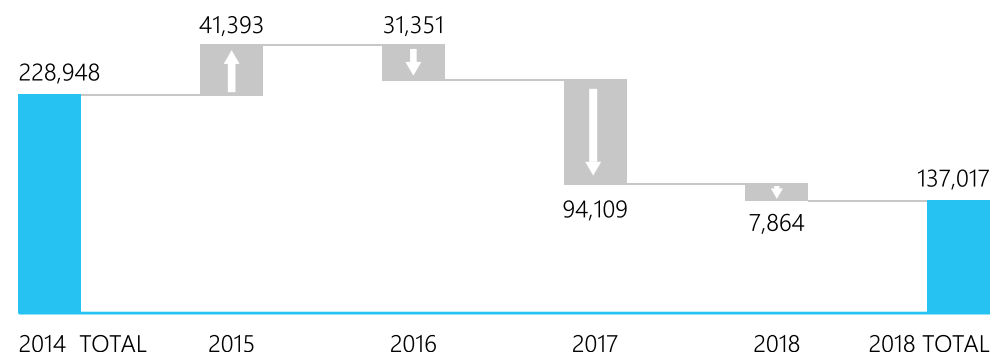
### Loan portfolio

December 2014 – December 2018 (US\$ in millions)



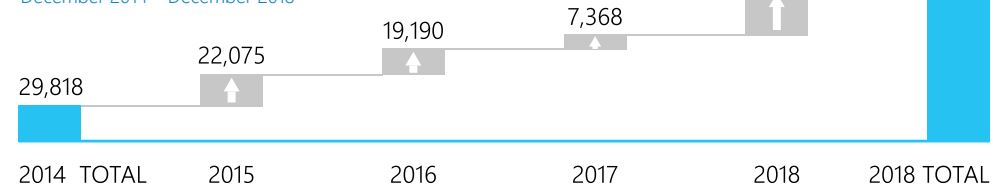
### Active Borrowers

December 2014 – December 2018



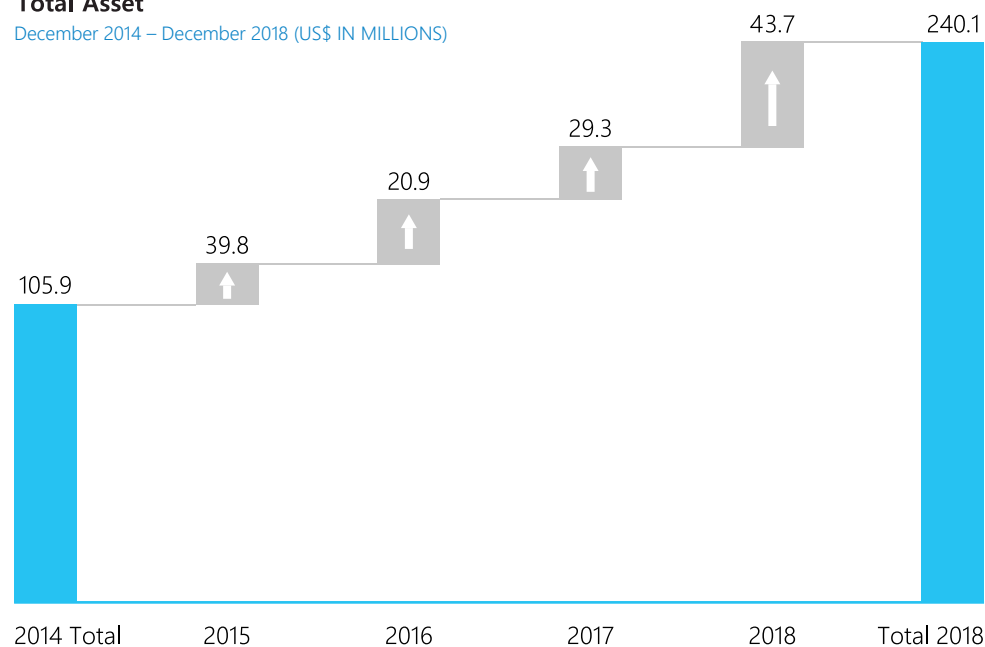
### Number of Savers

December 2014 – December 2018

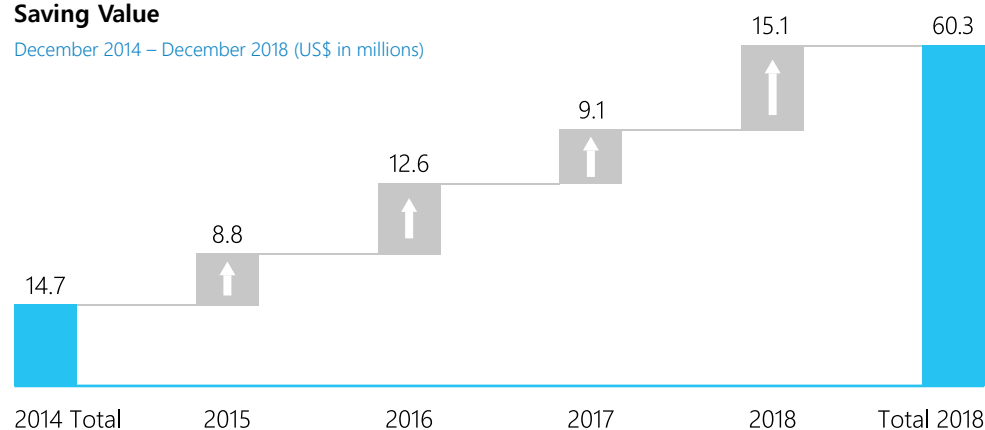


**Total Asset**

December 2014 – December 2018 (US\$ IN MILLIONS)

**Saving Value**

December 2014 – December 2018 (US\$ in millions)

**C. TAX PAID REPORT**

In the interest of fiscal transparency, we are pleased to publish our consolidated tax paid report in the table below:

Units in US\$	2014	2015	2016	2017	2018
Patent tax	\$4,988	\$7,210	\$18,500	\$18,500	\$18,500
Signboard tax	\$11,427	\$ 16,446	\$47,391	\$70,042	\$81,755
NBC fee per branch	\$290,798	\$ 285,188	\$324,033	\$319,774	\$305,125
Transportation tax	\$3,899	\$ 4,179	\$4,041	\$3,670	\$1,788
Value added tax	\$0	\$0	\$691	\$2,777	\$2,325
Prepayment of profit tax	\$215,899	\$306,781	\$404,178	\$390,145	\$391,678
Annual profit tax	\$544,511	\$807,394	\$739,049	\$1,113,913	\$728,045
Tax on salary	\$295,756	\$427,216	\$640,287	\$464,239	\$937,310
Withholding tax on deposit	\$36,460	\$71,671	\$117,103	\$149,201	\$194,655
Withholding tax on saving	\$820	\$3,519	\$7,280	\$ 8,360	\$10,384
Withholding tax on rental	\$79,708	\$100,295	\$158,997	\$183,169	\$204,772
Withholding tax on local services	\$64,307	\$216,860	\$219,099	\$124,042	\$56,964
Withholding tax on overseas services	\$151,468	\$243,835	\$231,987	\$181,208	\$275,755
Withholding tax on overseas borrowing	\$636,931	\$979,668	\$1,195,994	\$ 1,100,021	\$895,329
Withholding tax on dividend	\$0	\$0	\$0	\$0	\$1,384,017
<b>Total Paid:</b>	<b>\$2,336,972</b>	<b>\$3,470,262</b>	<b>\$4,108,630</b>	<b>\$4,129,061</b>	<b>\$5,488,402</b>
<b>Accumulate amount</b>	<b>\$8,632,985</b>	<b>\$12,103,247</b>	<b>\$16,211,877</b>	<b>\$20,340,938</b>	<b>\$25,829,340</b>

\* Total and Accumulated Amount from year 2003.

N

E

**Career Fair**

WB Finance attended Career Fair on 28 October 2018 held at Koh Pich Exhibition and Convention Centre, organised by the Ministry of Labour and Vocational Training in collaboration with the Union of Youth Federations of Phnom Penh and the Garment Manufacturers Association in Cambodia (GMAC).

**WB Finance  
Student Scholarship**

WB Finance has supported students who are the children of our best clients by providing school materials. These children were supported to their high school graduation. In 2018, 41 children have been awarded WB Finance's support.

**Blood Donation from WB Finance's Staff**

WB Finance collaborated with the National Blood Transfusion Centre to donate blood for the life of our nation at the Head Office on February 28, 2018. To help save the lives of others, 28 members of staff donated blood. This is part of our commitment and determination to give back to the community through our financial expertise and social responsibility work.



H I G H L I G H T

# W

## Charity Event at DAIL Organization

On August 13, 2018, twenty WB Finance and Woori Finance staff have participated in recreational activities at DAIL organization by making and providing lunch to 300 children.



## Donation to Kuntha Bopha Children Hospital

On June 04, 2018, WB Finance and staff have made donation to Kuntha Bopha Children Hospital amount of US\$2,500 and KHR 10,000,000 in order to support the lives of Cambodia's children.



## Material Donation to Local Community Children

On 30th December 2018, WB Finance team and 20 University student volunteers made donation of 900 note books and 50 T-shirts to 400 children living in local rural community, Barray District, Kampong Thom Province.



## Staff Awards

To acknowledge the dedication and commitment of staff, WB Finance annually hand over numerous awards for staff.

F I N A N C E



## Staff Visit to Woori Bank Head Quarter in Seoul

As part of culture experience, Woori Bank Head Quarter provides the opportunity to all its subsidiaries including WB Finance to send their staff for Head Quarter visit in Seoul twice per year.

## Care Group

As part of team building activity, WB Finance has organized an annual Care Group activity for staff at each respective branches and offices.



# OUR PRODUCTS & SERVICES

## A. LOAN



### SMALL & MEDIUM BUSINESS LOAN

Small Business Loan (SBL) is any loan used for working capital, business assets acquisition, and other businesses inputs or for income generating activities that earn income on a daily, weekly, fortnightly, or monthly basis, e.g. trading, production, services, etc.

Currency	KHR, USD and THB
Loan Size	KHR 80,000 – 40,000,000
	USD 100 – 50,000
	THB 800 – 400,000
Loan Term	03 – 72 months
Monthly Interest Rate	1.00% - 1.50%



### AGRICULTURE LOAN

Agriculture Loan (AL) is any loan used for production inputs expenditures, or assets of agricultural businesses or income generating activities that earn only seasonal income such as crop growing, animal raising, etc.

Currency	KHR, USD and THB
Loan Size	KHR 80,000 – 40,000,000
	USD 100 – 50,000
	THB 800 – 400,000
Loan Term	03 – 72 months
Monthly Interest Rate	1.00% - 1.50%



### NON-BUSINESS LOAN

Non-Business Loan (NBL) is a kind of consumption loan used for purchasing personal/household assets and/or personal/household expenditures for improving the living conditions such as water filters, latrines, solar energy products, bike, motorbike, etc.

Currency	KHR, USD and THB
Loan Size	KHR 80,000 – 40,000,000
	USD 100 – 25,000
	THB 800 – 400,000
Loan Term	03 – 60 months
Monthly Interest Rate	1.15% - 1.50%

**HOUSING LOAN**

Housing Loan (HSL) is a loan product offered to Cambodia mainly rural poor who need fund to purchase/construct a new house or to improve/expand an existing house.

Currency	KHR, USD and THB
Loan Size	KHR 400,000 – 40,000,000 USD 100 – 25,000 THB 4,000 – 400,000
Loan Term	03 - 60 months
Monthly Interest Rate	1.15% - 1.50%

**EXPRESS LOAN**

Express Loan (EXL) is developed to ensure prompt response to client's financial needs in times of emergency and/or unexpected life events such as natural disaster and/or personal dangers.

Currency	KHR, USD and THB
Loan Size	KHR 80,000 – 2,400,000 USD 100 – 600 THB 800 – 24,000
Loan Term	03 – 09 months
Monthly Interest Rate	1.50%

**SOCIAL COOPERATIVE LOAN**

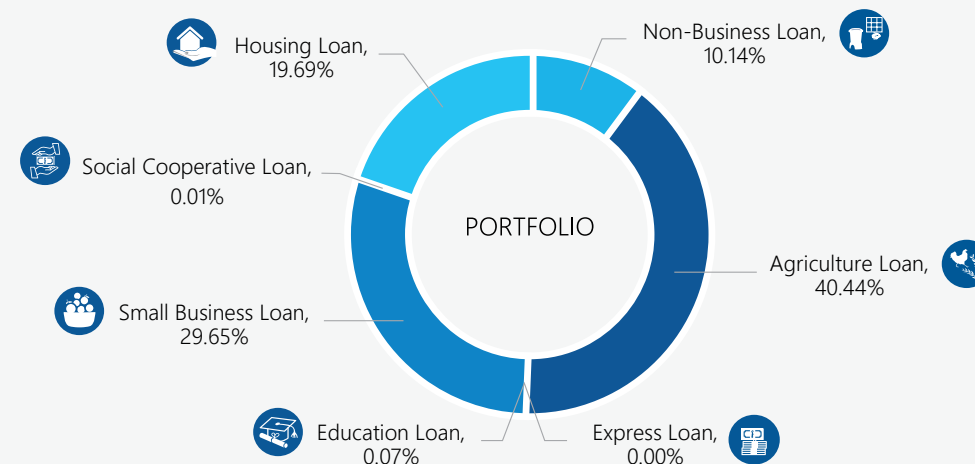
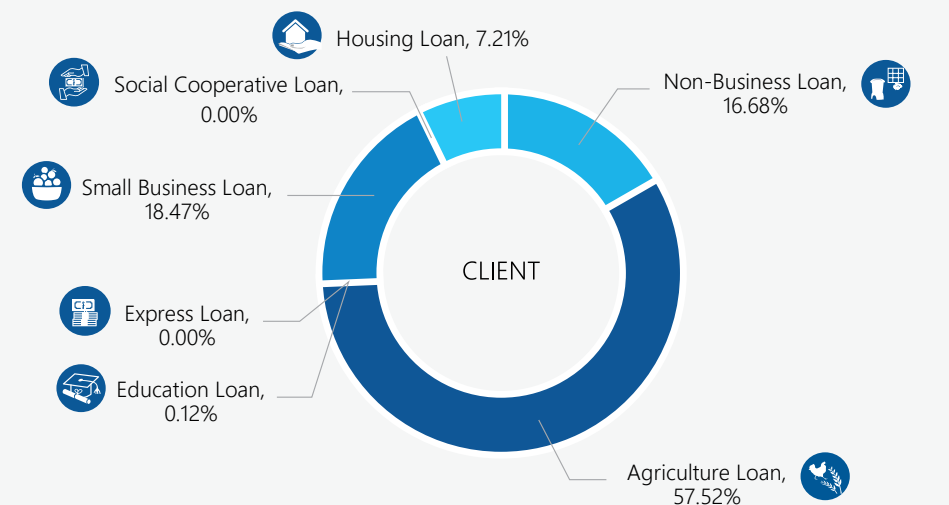
Social Cooperative Loan (SCL) is designed to provide agricultural cooperative entities or similar agriculture associations with loan capital to finance working capital needed for business expansion or establishing a new line of agricultural related business.

Currency	USD
Loan Size	USD 3,000 – 25,000
Loan Term	03 – 60 months
Monthly Interest Rate	1.15% - 1.50%

**EDUCATION LOAN**

Education Loan (EDL) is a type of social loan product provided as financial support to parents or guardians who want their children to pursue the upper education or to catch the technical skills.

Currency	KHR and USD
Loan Size	KHR 400,000 – 4,000,000 USD 100 – 3,000
Loan Term	General Knowledge Education: 03 – 12 months Associate Degree: 03 – 48 months Bachelor Degree: 03 – 84 months Master Degree: 03 – 48 months Vocational Trainings: 03 – 24 months
Monthly Interest Rate	1.30% - 1.40%



B. SAVINGS



FORTUNE DEPOSIT ACCOUNT

Fortune Deposit Account (FDA) is an interest-bearing and contract-based savings accounts that require account balance to be placed within a specific period of time until the maturity date.

Currency	KHR, USD and THB
Minimum Deposit	KHR 100,000 USD 25 THB 1,000
Term	3 months to 36 months
Annual Interest Rate	5.00% to 8.50%



HOPE SAVINGS ACCOUNT

Hope Savings Account (HSA) is a non-compulsory savings product designed for entrepreneurs, workers or housewives who are willing to voluntarily save their money in a trustworthy and reliable place.

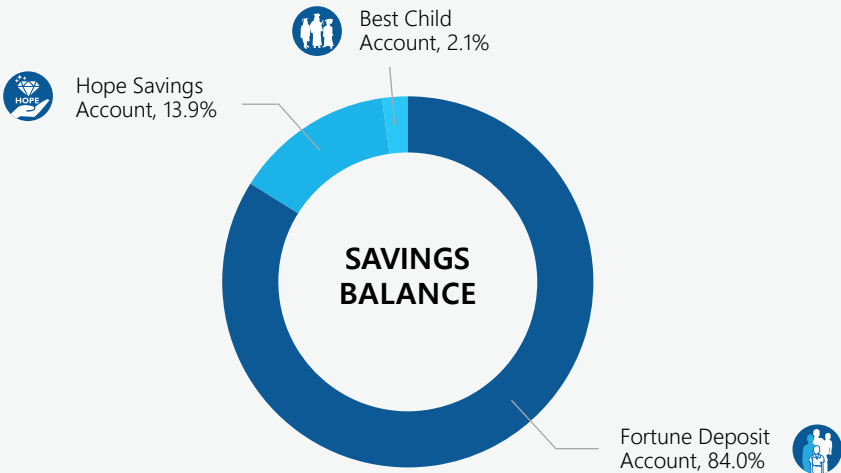
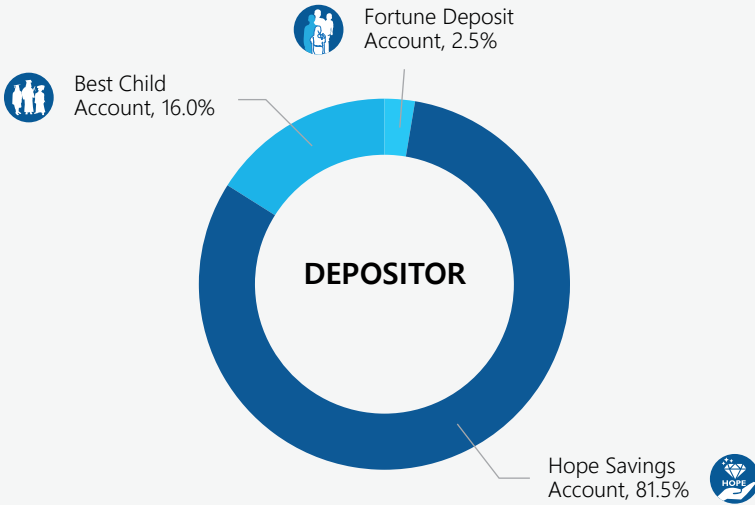
Currency	KHR, USD and THB
Minimum Deposit	KHR 4,000 USD 1 THB 40
Term	Unlimited
Annual Interest Rate	3.00% to 4.00%



BEST CHILD ACCOUNT

Best Child Account (BCA) is a non-compulsory savings product designed to meet the needs of the parents or relatives who wish to save for their children below 18 years old.

Currency	KHR and USD
Minimum Deposit	KHR 4,000 USD 1
Term	Until children reach 18 years old
Annual Interest Rate	8.50% for KHR currency 6.50% for USD currency



C. LOCAL MONEY TRANSFER

 **INTER-BRANCH MONEY TRANSFER**

Inter-Branch Money Transfer Service allows customer in one location to transfer or receive money in the same or different location based on their intended purpose.

Type of Transaction	Cash to Cash or Account to Cash			Cash to Account or Account to Account		
Currency	KHR	USD	THB	KHR	USD	THB
Fee Charge	0.10%	0.10%	0.10%	0.08%	0.08%	0.08%
Minimum Charge	4,000	1	40	3,000	1	40

 **INTER-BANK MONEY TRANSFER**

Inter-Bank Money Transfer is a type of money transfer service that is transacted between financial institutions (Bank and MDI) in order to provide a convenient and real time service to their customers with the purpose of sending money to beneficiary account.

Transfer Amount (KHR)	Fee Charge (KHR)
<= 4 million	4,000
>4 million to 20 million	8,000
>20 million to 40 million	12,000

 **MOBILE BANKING SERVICE**

Mobile Banking Service is a provision of banking or financial services with the help of mobile telecommunication that customers can do banking transaction by themselves through mobile device.

Type of Transaction	Fee Charge
Registration and annual subscription	Free of charge
Loan repayment	Free of charge
Fund transfer to accounts within WBF	Free of charge
Fund transfer to accounts with other financial institutions	Follows the fee charge of “Inter-Bank Transfer Service”
View account balance and transaction history	Free of charge
Self-apply loan	Free of charge

WB Finance Microfinance Institution



LOANS



SAVINGS



LOCAL MONEY TRANSFER



MOBILE BANKING

## ENVIRONMENTAL & SOCIAL DATA AT A GLANCE

Absolute amounts/FTE (Full Time Equivalent)

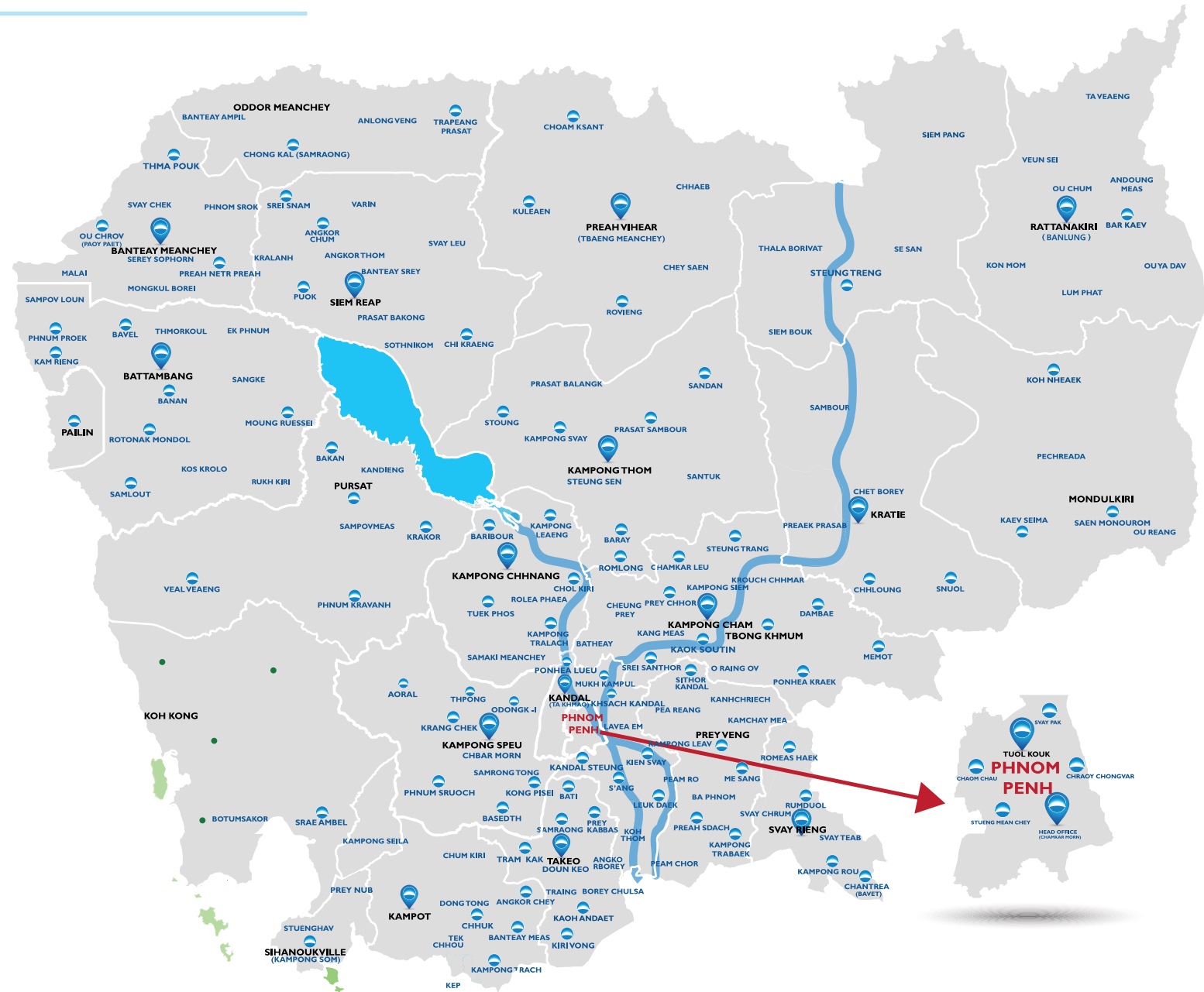
ENVIRONMENTAL PERFORMANCE INDICATORS	2018	2017	2016	2015	2014
<b>Materials</b>					
<b>Paper in kg/FTE (1)</b>	<b>19.80</b>	<b>23.83</b>	<b>33.64</b>	<b>39.99</b>	<b>34.55</b>
Loan form in kg/FTE	5.77	5.76	11.06	17.02	20.91
Office paper in kg/FTE	14.03	18.07	22.58	22.97	13.65
<b>Waste</b>					
<b>Waste paper in kg/FTE</b>	<b>3.12</b>	<b>2.01</b>	<b>1.00</b>	<b>2.94</b>	<b>1.24</b>
Tissue in kg	2,360.23	1,490.98	1,451.86	1633.90	424.19
Hand Towel in kg	809.20	673.20	32.15	952.75	231.76
Toilet paper in kg	1,152.26	618.74	66.26	1420.79	724.69
<b>Energy</b>					
<b>Electricity in kWh/FTE</b>	<b>617.00</b>	<b>668.11</b>	<b>493.92</b>	<b>636.70</b>	<b>420.43</b>
<b>Gasoline in l/FTE</b>	<b>222.81</b>	<b>394.81</b>	<b>248.90</b>	<b>214.76</b>	<b>238.62</b>
Gasoline for motorbike in liter	306,716.76	544,565.35	384,342.65	291,269.69	264,634.00
Gasoline for vehicle in liter	1,648.71	2,248.30	1,207	1,305	0
<b>Diesel in l/FTE</b>	<b>48.23</b>	<b>67.01</b>	<b>50.90</b>	<b>51.01</b>	<b>50.10</b>
Diesel for generator in liter	2,294.04	3,784.92	4847.22	4273.47	1904.57
Diesel for vehicle in liter	64,451	89,026	74,005	65,226	53658
<b>Lubricant in l/FTE</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Emission of CO2 (Equivalents – in thousands of kg) (2)</b>					
Electricity	469.66	508.93	420.79	477.07	256.44
Gasoline	740.08	1,312.35	925.32	702.18	635.12
Diesel	183.55	255.23	216.84	191.12	152.80
<b>Water</b>					
<b>Water in m3/FTE</b>	<b>14.25</b>	<b>24.03</b>	<b>24.63</b>	<b>22.94</b>	<b>23.14</b>
Water in m3	19413.06	32463.44	37660.03	30891.46	25305.34
Drinking Water	304.74	818.31	489.02	361.01	362.02
<b>Business Travel</b>					
By vehicle in km/FTE	545	757	531	560	568.94
By motorcycle in km/FTE	9,223.70	9,913.52	10,205.45	8,712.75	8,900.54
<b>SOCIAL PERFORMANCE INDICATORS</b>					
<b>Employment</b>					
Number of staff	1429	1389	1489	1420	1145
Female	445	466	554	513	373
Male	984	923	935	907	772
Number of staff (FTE)	1384	1385	1549	1362	1109

(1) FTE: Average number of full-time co-workers during the year

(2) The CO2 equivalent is referred to the Greenhouse Gas Protocol calculation principles



**As of December 2018**, WB Finance has 15 Regional Offices, 106 networks, covering 25 provinces/cities, 190 districts, 1,649 communes, and 9,897 villages across the country.



A low-angle, upward-looking perspective of several modern skyscrapers with glass facades. The buildings are positioned around the edges of the frame, creating a sense of height and scale. The sky is a vibrant blue with scattered, soft white clouds. The overall color palette is dominated by blues and whites, giving it a clean, professional appearance.

# FINANCIAL REPORTS

# BALANCE SHEET

AS AT 31 DECEMBER 2018

	2018		2017	
	USD	KHR'000	USD	KHR'000
<b>ASSETS</b>				
Cash on hand	3,634,344	14,602,796	2,184,933	8,820,574
Balances with banks	6,600,583	26,521,143	14,899,523	60,149,374
Loans to customers- net	215,488,902	865,834,408	166,554,433	672,380,245
Other assets	2,725,926	10,952,770	2,728,746	11,015,947
Statutory deposits	7,661,846	30,785,299	5,830,630	23,538,252
Investment with Credit Bureau Holding Cambodia Limited ("CBHC")	15,353	61,688	15,353	61,980
Property and equipment	1,689,913	6,790,069	1,798,642	7,261,119
Intangible assets	1,039,609	4,177,150	772,165	3,117,230
Deferred tax assets- net	1,253,240	5,035,518	1,239,291	5,003,018
Amount due from related party	-	-	178	719
<b>TOTAL ASSETS</b>	<b>240,109,716</b>	<b>964,760,841</b>	<b>196,023,894</b>	<b>791,348,458</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>LIABILITIES</b>				
Deposits from customers	60,257,507	242,114,662	45,127,590	182,180,081
Amount due to related party	110,885,644	445,538,519	499,462	2,016,327
Borrowings	20,909,332	84,013,697	106,405,993	429,560,994
Income tax payable	760,508	3,055,721	1,144,798	4,621,550
Other liabilities	8,814,970	35,418,550	8,525,945	34,419,238
<b>Total liabilities</b>	<b>201,627,961</b>	<b>810,141,149</b>	<b>161,703,788</b>	<b>652,798,190</b>
<b>SHAREHOLDERS' EQUITY</b>				
Share capital	30,000,000	120,000,000	21,686,425	86,745,700
Retained earnings	8,481,755	34,079,692	12,633,681	51,002,170
Foreign exchange translation	-	540,000	-	802,398
<b>Total shareholders' equity</b>	<b>38,481,755</b>	<b>154,619,692</b>	<b>34,320,106</b>	<b>138,550,268</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>240,109,716</b>	<b>964,760,841</b>	<b>196,023,894</b>	<b>791,348,458</b>

# INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

	2018		2017	
	USD	KHR'000	USD	KHR'000
<b>Operating income</b>				
Interest income	32,871,357	132,077,112	34,215,579	138,128,290
Interest expense	(11,924,652)	(47,913,253)	(11,296,133)	(45,602,487)
<b>Net interest income</b>	<b>20,946,705</b>	<b>84,163,859</b>	<b>22,919,446</b>	<b>92,525,803</b>
Fees and commission income	6,700,887	26,924,165	2,358,385	9,520,801
Fee and commission expense	(2,463,169)	(9,897,015)	(402,516)	(1,624,959)
<b>Net fees and commission</b>	<b>4,237,718</b>	<b>17,027,150</b>	<b>1,955,869</b>	<b>7,895,842</b>
Other income	1,898,425	7,627,872	1,190,576	4,806,355
<b>Total operating income</b>	<b>27,082,848</b>	<b>108,818,881</b>	<b>26,065,891</b>	<b>105,228,000</b>
Other operating expenses	(19,914,203)	(80,015,268)	(18,438,500)	(74,436,225)
Provision for losses on loans to customers	(1,898,141)	(7,626,729)	(4,029,985)	(16,269,049)
<b>Profit before income tax</b>	<b>5,270,504</b>	<b>21,176,884</b>	<b>3,597,406</b>	<b>14,522,726</b>
Income tax expense	(1,108,855)	(4,455,379)	(637,684)	(2,574,330)
<b>Net profit for the year</b>	<b>4,161,649</b>	<b>16,721,505</b>	<b>2,959,722</b>	<b>11,948,396</b>

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Share capital	Retained earnings	Foreign exchange Translation	Total
	USD	USD	KHR'000	USD
At 1 January 2018, as restated	21,686,425	12,633,681	-	34,320,106
Transferred to share capital	8,313,575	(8,313,575)	-	-
Net profit for the year	-	4,161,649	-	4,161,649
<b>At 31 December 2018</b>	<b>30,000,000</b>	<b>8,481,755</b>	<b>-</b>	<b>38,481,755</b>
<b>KHR'000 equivalent</b>	<b>120,000,000</b>	<b>34,079,692</b>	<b>540,000</b>	<b>154,619,692</b>
At 1 January 2017	13,086,425	18,273,959	-	31,360,384
Transfer to share capital	8,600,000	(8,600,000)	-	-
Net profit for the year	-	2,959,722	-	2,959,722
<b>At 31 December 2017</b>	<b>21,686,425</b>	<b>12,633,681</b>	<b>-</b>	<b>34,320,106</b>
<b>KHR'000 equivalent</b>	<b>86,745,700</b>	<b>51,002,170</b>	<b>802,398</b>	<b>138,550,268</b>

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	2018		2017	
	USD	KHR'000	USD	KHR'000
<b>OPERATING ACTIVITIES</b>				
<b>Net cash used in operating activities</b>	<b>(30,051,890)</b>	<b>(120,748,494)</b>	<b>(10,357,544)</b>	<b>(41,813,406)</b>
<b>INVESTING ACTIVITIES</b>				
Acquisition of property & equipment	(551,597)	(2,216,317)	(374,319)	(1,511,126)
Acquisition of intangible assets	(387,698)	(1,557,771)	(20,685)	(83,505)
Proceeds from disposal of property & equipment	3,197	12,846	2,792	11,271
<b>Net cash used in investing activities</b>	<b>(936,098)</b>	<b>(3,761,242)</b>	<b>(392,212)</b>	<b>(1,583,360)</b>
<b>FINANCING ACTIVITIES</b>				
Proceeds from (repayment to) related party	110,000,000	441,980,000	(1,850,000)	(7,468,450)
Proceeds from borrowings	25,050,000	100,650,900	55,162,791	222,692,187
Repayment of borrowings	(111,076,489)	(446,305,333)	(39,519,655)	(159,540,847)
<b>Net cash generated from financing activities</b>	<b>23,973,511</b>	<b>96,325,567</b>	<b>13,793,136</b>	<b>55,682,890</b>
<b>Net (decrease) increase in cash &amp; cash equivalents</b>	<b>(7,014,477)</b>	<b>(28,184,169)</b>	<b>3,043,380</b>	<b>12,286,124</b>
Cash & cash equivalents at beginning of year	17,034,456	68,768,098	13,991,076	56,481,974
Foreign exchange difference	214,948	540,010	-	-
<b>Cash and cash equivalents at end of the year</b>	<b>10,234,927</b>	<b>41,123,939</b>	<b>17,034,456</b>	<b>68,768,098</b>



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## INDEPENDENT AUDITOR'S REPORT

To: **The Shareholder of WB Finance Co., Ltd.**

### Opinion

We have audited the accompanying financial statements of WB Finance Co., Ltd. ("the Company"), which comprise the balance sheet as at 31 December 2018, and the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of 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 2018, and its financial performance and its cash flows for the year then ended in accordance with Cambodian Accounting Standards and relevant regulations and guidelines issued by the National Bank of Cambodia.

### 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 sub-decree on the Code of Ethics for Professional Accountants and Auditors promulgated by the Royal Government of Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Matter

The financial statements of the Company as at and for the year ended 31 December 2017 were audited by another auditor who expressed an unqualified opinion on those statements on 30 March 2018.

### Information Other than the Financial Statements and Auditor's Report Thereon

The other information obtained at the date of the auditor's report comprises the Report of the Board of Directors as set out in pages 1 to 4. Management is responsible for the other information.

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, 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 of financial statements that give a true and fair view in accordance with Cambodian Accounting Standards and relevant regulations and guidelines issued by the National Bank of Cambodia, 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.



## Auditor's 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 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.



Sinratana Lan  
Partner

Ernst & Young (Cambodia) Ltd.  
Certified Public Accountants  
Registered Auditors

Phnom Penh, Kingdom of Cambodia

21 March 2019

# WOORI INTERNATIONAL NETWORKS



The Annual Report can be accessed in soft copy through our website: [www.wbfinance.com.kh](http://www.wbfinance.com.kh) or in hard copy through Email: [info@wbfinance.com.kh](mailto:info@wbfinance.com.kh)  
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