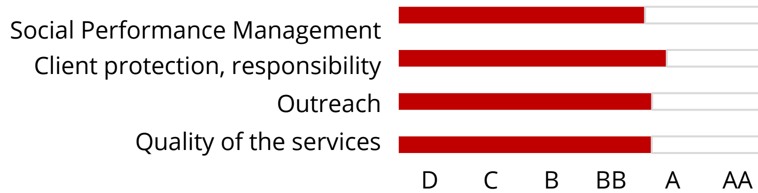
AMK Bank Plc, Cambodia

Social & Environmental Rating ^{s}**A-**

Good social performance management and client protection systems. Mission likely to be achieved.



SER Committee May-26 Previous SER: Σα , Mar-23, M-Cril

SOCIAL & ENVIRONMENTAL RATING RATIONALE

Social and Environmental Performance Management Systems

AMK Bank's mission and strategy are well aligned, supported by strong governance and ESG oversight, though gaps remain in SMART targets and ESG implementation. Client tracking is robust, and profitability is moderate.

Social and environmental responsibility

Client-focused products, strong transparency, and fair pricing are evident, with moderate over-indebtedness risk despite volume-driven incentives. HR practices are sound but show gaps in gender equity and retention, while environmental management remains moderate due to limited targets and ESG monitoring.

Outreach

Outreach is moderate, with a declining borrower base but strong rural and low-income coverage. Outreach to women is good, though weaker for vulnerable groups, and overall remains aligned with national averages.

Quality of the services

AMK Bank offers accessible financial services with high satisfaction, though gaps remain in emergency funding and loan flexibility; retention is stable and supported by CSR.

Institutional data	Dec-25
Active borrowers	2,25,285
Active savers	6,01,782
Gross portfolio, USD	63,81,05,064
Total active savings, USD	40,31,88,141
Branches	143
Total staff	3,533

Legal form	Bank
	Commercial Bank
Inception 1990	Network NBC
Area	Rural
Credit methodology	Individual, Group
Financial services	Credit, Saving, Insurance, Paym.
Non financial services	Business development
Coverage	25/25 of Cambodian provinces

Social indicators	Dec-25
Rural coverage, clients	79%
Female clients	78%
Female staff	33%
Clients below the national poverty line	44%
Average disbursed loan amount, USD	4,757
Portfolio for income generating activities	48%
Productive portfolio to microenterprises	50%
Average loan balance / GNI pc	112.4%
Average saving balance, USD	669.99
Client drop-out ratio	16%
PAR30	8.1%
Staff turn-over ratio	25%
Average annual percentage rate (APR)	20%
Average transparency index	82
Exclusive borrowers	52%

See annex 2 and 4 for more details.

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Area	Factor	Assessment	Results
Social and Environmental Performance Management Systems	Mission	Excellent	+ Mission complemented by the vision is complete, including the institution's social goals. + Mission statement reflects the institution's intentions at governance and senior management levels.
	Governance	Good	+ BoD provides effective strategic directions to guide the management and adequately supervises the implementation. + Some Board members have global SPM experience. An SEC Committee exists at the Board level and an ESG Committee at the management level. ESG indicators are defined in the ESG Framework and shared with the Board semi-annually. The risk of mission drift associated with the planned change in legal form over the next two years is assessed as moderate.
	Strategy	Adequate	+ The ESG framework includes social goals related to clients' needs, target population, and outcomes, as well as some environmental indicators. However, SMART targets are not defined or included in the strategic plan. + The strategy is overall aligned to the mission. + BoD and top management regularly assess ESG risks using internal and external reports.
	Social and financial balance	Adequate	+ Growth has been broadly sustainable over the past three years given market conditions. + Level of responsible profitability is moderate: sustainability shows a positive trend, but the average ROA of the last three periods is negative. + See client protection for responsible pricing. + The gap between the top three management and the bottom three field staff compensation is above the peers.
	Tracking and monitoring system	Good	+ Adequate capacity to monitor the client characteristics. Use of PPI and ID Poor poverty measurement systems. + The quality of the information currently collected on the clients' profile and the change in their lives is good.
	HR alignment to the mission	Moderate	- ESG is integrated into the credit process, but unclear staff responsibilities, limited training coverage, and insufficient monitoring and reporting of ESG risk cases has room for improvement. + Incentives promote performance and responsible lending, but the focus on portfolio growth but maintaining minimum portfolio PAR is a qualifying criteria.

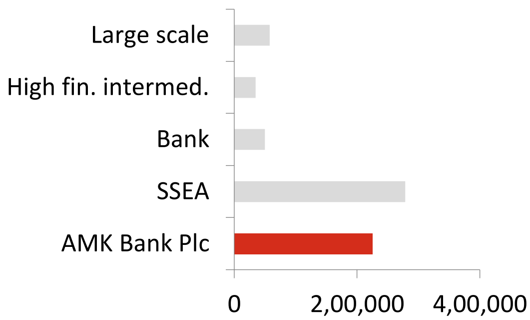
Area	Factor	Assessment		Results
Social and environmental responsibility	Product design and delivery	Excellent	+	Product development is informed by client feedback, market research, pilot testing, and sales input, with regular client satisfaction surveys conducted.
	Prevention of over indebtedness	Good	+	The risk of client over-indebtedness is assessed as medium; while the bank applies DSR limits, credit bureau checks, and formal approval processes to mitigate risk, although higher incentive weight is given to portfolio volume compared to portfolio quality, maintaining minimum portfolio PAR is a qualifying criteria.
	Transparency	Excellent	+	Bank demonstrates good transparency in disclosing loan, savings, and insurance product terms and conditions, reflected in a high institutional transparency index.
	Responsible pricing	Excellent	+	The pricing of all reviewed loan products is consistent with the main market peer groups.
	Fair and respectful treatment	Excellent	+	Comprehensive client protection, collection, restructuring, and audit practices, with internal audit conducting client visits and interviews to ensure transparency and prevent abusive practices.
	Privacy of client data	Adequate	+	AMK bank has adequate data privacy and access controls.
	Mechanisms for complaint resolution	Good	+	Multiple complaint channels are available and communicated through various means. At the branch level, the toll-free number is prominently displayed and remains the most commonly used channel by clients.
	Social responsibility towards personnel	Good	+	Good gender balance among staff and management but low female Board representation; staff turnover is relatively high among front-line staff and monitored but not reported by gender.
			+	HR policies comply with labour laws and include non-discrimination, health and safety measures, staff protection, and annual staff satisfaction surveys with corrective actions.
			+	Good HR practices on contracts, training, and performance management, but gender pay analysis and formal salary benchmarking are not yet fully implemented.
	Environmental Management	Adequate	+	Environmental management framework is in place but remains moderate due to missing targets, limited green portfolio, and gaps in environmental data tracking.
	Social responsibility - community	Good	+	AMK Bank has a formal exclusion list and conducts community CSR activities; internal audit also verifies exclusion list compliance, but CSR funding criteria are not formally documented.

Area	Factor	Assessment		Results
Outreach	Breadth of outreach	Good	+	Outreach is moderate compared to regional benchmarks; although the borrower base is large, the number of borrowers has decreased in recent years.
	Geographical outreach alignment to the mission	Excellent	+	Nationwide coverage with strong outreach to poorer areas and rural populations, supporting financial inclusion.
	Alignment of clients vulnerability and financed activities to the mission	Moderate	+	Good outreach to women and low-education clients, but moderate outreach to vulnerable groups and limited analysis of household vulnerability data.
			-	Income-generating loans are slightly below peer benchmarks, with the portfolio split equally between microenterprises and SMEs.
	Alignment of client poverty and financial exclusion to the mission	Good	+	Poverty outreach is strong, as the client poverty rate aligns with the national average.
			+	Outreach to financially excluded clients is adequate and in line with the national average.
			+	The average loan size is 100–150% of GNI per capita, suggesting outreach to a broad client segment.
Quality of the services	Variety of financial services	Good	+	Wide range of financial services, licensed deposit-taking institution, and insurance offered through partner referrals.
			+	Client needs are generally well met, but dedicated emergency fund are unavailable.
	Accessibility of credit services	Adequate	+	Financial products are accessible and do not present major barriers to the target population.
			+	AMK Bank provides convenient delivery channels, reasonably fast and simple loan disbursement, and collateral requirements that are generally accessible and appropriate to the credit risk.
	Flexibility of credit services	Adequate	+	Loan terms and repayment frequency are generally appropriate, though some clients would prefer longer terms and more flexible repayment schedules.
			+	Appropriate loan sizes and good customer service with high client satisfaction.
	Client drop-out rate	Good	+	Client drop-out is low and stable with regular exit analysis, but drop-out trends, branch concentration, and client segment analysis are not fully monitored.
	Quality of other financial services	Good	+	Savings, payment, and insurance services are generally well aligned with clients' needs and support financial management and risk protection.
	Quality of non-financial services	Adequate	+	Non-financial services are adequate, and CSR activities support the social mission.

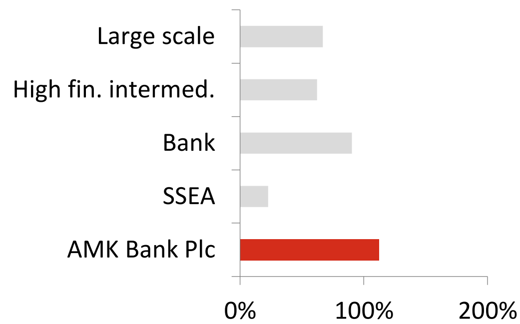
+ indicates an adequate, good or excellent score; - indicates a moderate, weak or poor score.

Benchmark

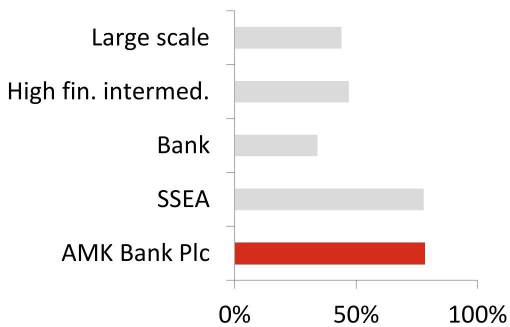
Active borrowers



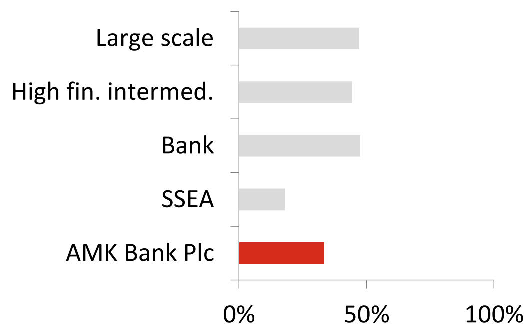
Average balance/borrower/GNI pc



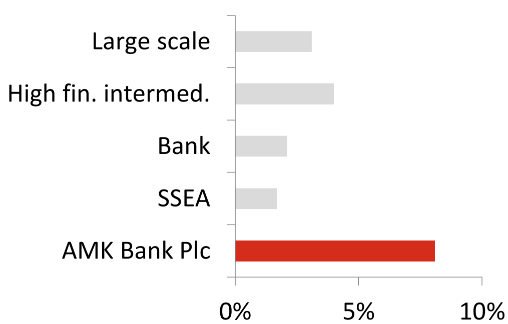
Female clients



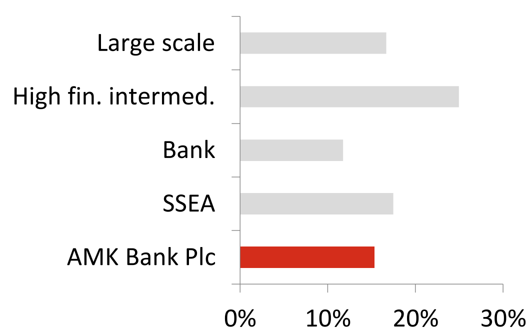
Female staff



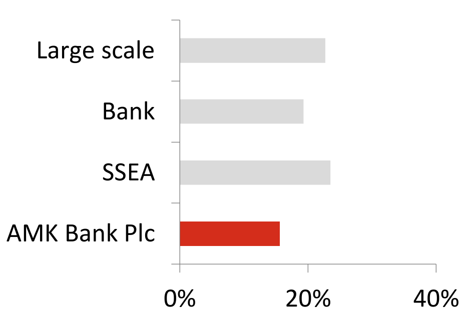
PAR30



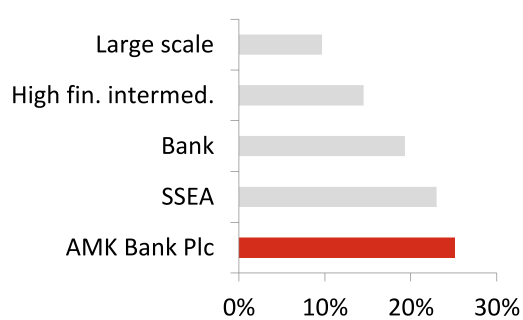
Portfolio yield



Client drop-out ratio

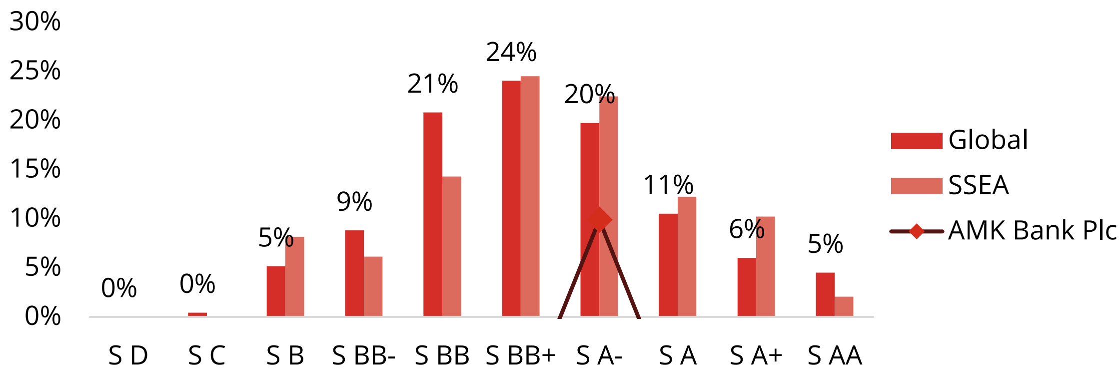


Staff turn-over ratio

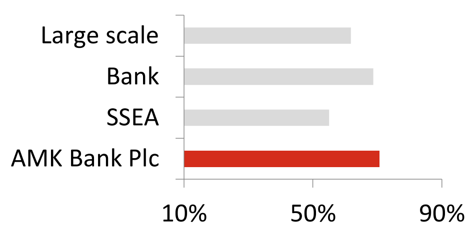


MFR database, ATLAS platform, 2018-2022
SSEA: South and South East Asia
High financial intermediation: deposits >20% total assets.

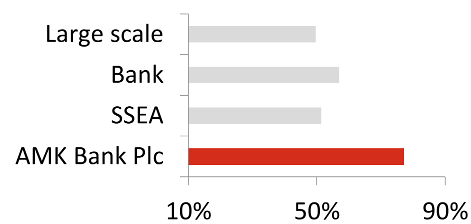
Social & Environmental Rating grades distribution



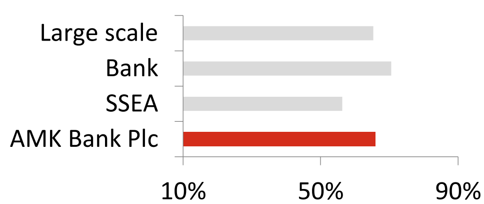
Mission, governance and strategy, score



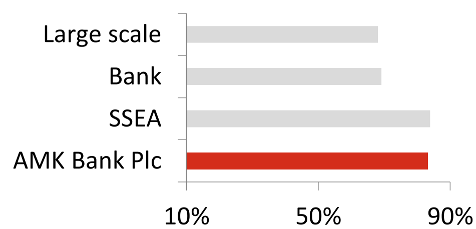
Tracking and Monitoring System , score



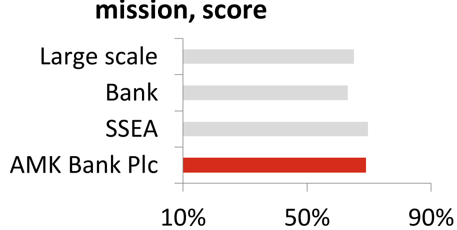
Social and financial balance, score



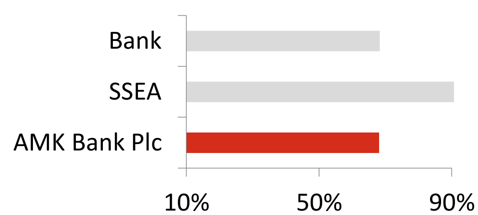
Client protection, score



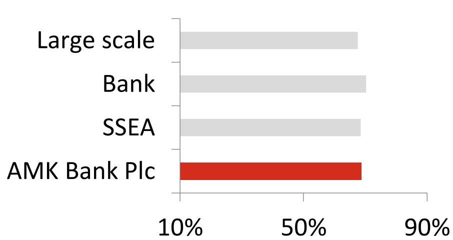
Alignment of outreach depth to the mission, score



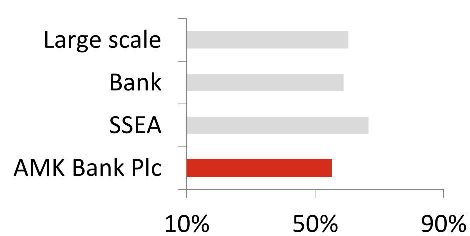
Breadth of outreach, score



Quality services, score



Environmental Management , score



Score from MFR methodology and database.

Context

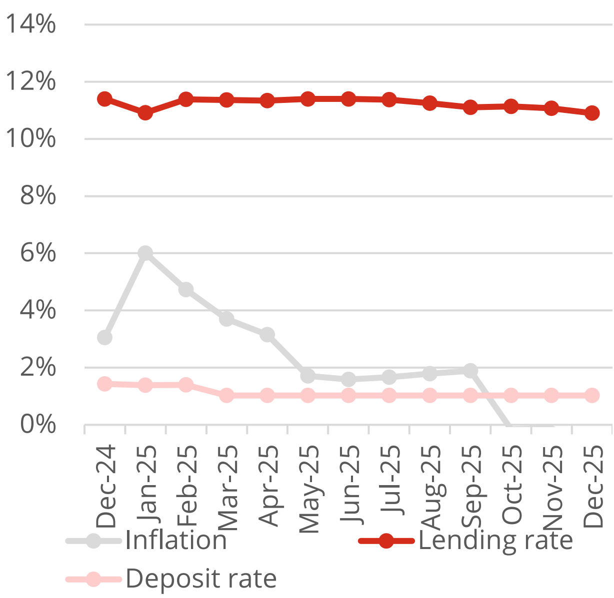
Sovereign Risk [1]	Dec-22	Dec-23	Dec-24	Dec-25
Moody's	B2 (Negative)	B2 (Negative)	B2 (Stable)	B2 (Negative)

Source: Trading Economics. [1] Long-term, foreign currency. na = not available

Macroeconomic Indicators	Dec-22	Dec-23	Dec-24	Dec-25
GDP per capita (current LCU)	95,37,363	99,87,852	1,07,01,770	na
Exchange rate to USD	4118	4085	4029.5	4058.06
GNI per capita Atlas method (current US$)	2,270	2,390	2,520	na
GDP growth (annual %)	5.13%	5%	6%	na
Current account balance (% of GDP)	-19.00%	1.30%	0.50%	na

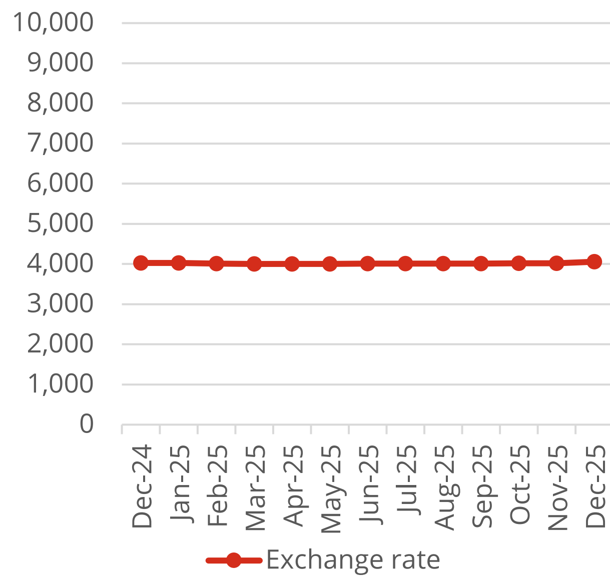
Source: World Bank. na = not available

Inflation and interest rates



Source: IMF, Internal sources

Exchange rate, USD



Source: IMF

Social Indicators	Data	Source	Year
Population, total	1,76,38,801	*World Bank*	2024
Human development index (HDI)	0.606	*UNDP*	2023
- Level	medium	*UNDP*	2023
Poverty headcount ratio at national poverty lines	na	*World Bank*	2024
Poverty headcount ratio at $3.65 a day	na	*World Bank*	2024
Poverty headcount ratio at $2.15 a day	na	*World Bank*	2024
Population without completing primary school	10.1%	*World Bank*	2023
Enabling environment for financial inclusion [2]	40	*Economic Intelligence Unit*	2020
- Country ranking	47	*Economic Intelligence Unit*	2020
Population without bank account	61.0%	*Global Findex*	2024
Population without an active loan in the past 12 mon	83.8%	*Global Findex*	2024
MIMOSA Score [3]	4	*MIMOSA*	2024

[2] Regulatory environment for financial inclusion and implementation of relevant public policies.
[3] MIMOSA: Microfinance Index of Market Outreach and Saturation. na = not available

1. Social and Environmental Performance Management Systems

1.1 Mission, governance and strategy

Mission: Excellent
Governance: Good
Strategy: Adequate

MISSION STATEMENT

To provide a range of responsible financial services to our clients from varying economic segments, particularly low-income households and women, to help them achieve their financial and household aspirations.

Mission

+ The mission, supported by a vision of a Cambodian society in which citizens have equal and sufficient economic and social opportunities to improve their living standards and contribute productively to national development, is comprehensive and incorporates the institution's social objectives. The target population—women and low-income households, particularly those living below the national poverty line—is clearly defined, while also focusing on meeting client needs through the provision of responsible financial services. The mission further aims to create meaningful change by enabling clients to achieve their financial and household aspirations. While environmental goals are not explicitly stated within the mission, they are addressed as part of the institution's broader ESG framework.

Social Goals	Key words in mission statement
Reaching target clients	low-income households and women
Meeting client needs	responsible financial services
Creating change	achieve their financial and household aspirations

+ The mission statement reflects the institution's intentions at governance and senior management levels, focusing on reaching a defined target population, meeting their needs, and creating measurable positive change—such as expanding access for excluded groups, reducing vulnerability, building assets, and supporting job creation. The institution promotes MSME growth, income generation, and local economic resilience. Its approach is aligned with the Sustainable Development Goals (SDGs) and strong ESG practices, creating lasting social and environmental value. The mission was revised in 2022 to reflect evolving priorities, including a shift of target audience from a primarily rural focus to a broader low income-based approach.

Governance good practices

+ The Board of Directors (BoD) provides strategic direction and actively participates in setting long-term objectives, including approving the five-year strategic business plan, demonstrating strong ownership of key goals. It exercises effective oversight of management, monitoring plan implementation and providing feedback through its committees: Audit and Finance Committee (AFC), Board Risk Committee (BRC), Remuneration, Nominations and Corporate Governance Committee (RNCG), Board Asset and Liability Committee (B.ALCO), and Social and Environmental Committee (SEC). While the first four committees perform standard governance functions, the SEC advises the Board on performance related to poverty outreach, product suitability, client protection, environmental responsibility, and overall social impact.

Dec-25 Equity

Governance

+ The Board demonstrates relevant social and environmental performance expertise, with two members having a development background and experience in managing and measuring such performance. Members receive formal training on the institution’s social goals, the USSEPM framework, ESG principles, and the Board’s role in overseeing social and environmental performance, both during induction and on an ongoing basis. A dedicated Social and Environmental Committee (SEC), meeting semi-annually, monitors implementation and reports on the bank’s social and environmental performance. The majority shareholder, The Shanghai Commercial & Savings Bank, Ltd. (SCSB) bank, upholds a mission “to serve society, support industry, and promote international trade,” reflecting strong alignment with the AMK bank’s social objectives.

+ The Board reviews key social performance indicators, including depth of outreach, product adequacy, transparency and client protection, responsibility to staff, changes in clients' lives (assessed every five years), and ESG performance. It also considers recent social ratings, client protection certifications, and code of conduct assessments to ensure alignment with the institution's social strategy. Board minutes indicate that social and environmental performance informs decision-making, including shifts from group to individual lending, system enhancements to reduce errors or disruptions, and closer monitoring of multiple borrowing. However, the alignment of profit allocation with social and environmental goals is reviewed at the management level by the Corporate Social Responsibility Committee, rather than at the Board level.

+ AMK's origins trace back to microfinance initiatives launched by the Irish NGO Concern Worldwide in the early 1990s. AMK was formally established as an independent microfinance institution in 2003, received its license to operate as a microfinance deposit-taking institution (MDI) in 2010, and was granted a full banking license in March 2026. The risk of mission drift associated with the planned change in legal form over the next two years is assessed as moderate. While the Board of Directors (BoD) has adequately discussed and evaluated the potential implications, the risk cannot be fully excluded. AMK has already undergone a strategic shift from predominantly unsecured, group-based lending to more secured, individual lending models, which may be perceived as an early sign of mission drift. The transition to a full banking structure could further accelerate this trend. On one hand, the new legal form is expected to support expansion of the depositor base and enable entry into the corporate segment. On the other hand, it introduces a risk of reduced focus on low-income and ID-poor households, potentially affecting the institution's ability to maintain its original social and environmental objectives.

Strategy

+ AMK Bank's environmental, social and governance (ESG) strategy is well embedded in its culture and governance. ESG is managed by a 12-member R&D team reporting to the CEO. ESG responsibilities are incorporated into employee job descriptions and performance KPIs. ESG activities are integrated into the R&D function, in addition to research and product development for credit and non-credit products. The Board and senior management actively integrate ESG considerations into decision-making. Key indicators include maintaining <1% of the loan portfolio in high-risk categories, tracking green loan disbursements, carbon emission reductions from green finance, energy use (Scopes 1–3), renewable energy usage, and ESG staff training. However, there is limited measurement of outcomes for clients from implementing green initiatives.

+ The strategic plan includes social and environmental goals covering client needs, target population, and outcomes. Social indicators address access (e.g., new loan clients, savings account ownership), client behaviour (retention, multiple borrowing, exit rates, satisfaction), and outreach (low-income clients below 150% of the national poverty line, women clients, and micro-loan borrowers). It also outlines intended client-level outcomes such as improvements in housing, transportation, income, asset ownership, business development, and education. Environmental goals include maintaining less than 1% of the loan portfolio in high-risk categories, tracking green loan disbursements, measuring CO_2 emission reductions from green finance, monitoring energy consumption (Scopes 1–3), renewable energy usage, and ESG staff training. However, while these indicators are relevant, the strategy does not yet define clear, SMART (specific, measurable, achievable, relevant, and time-bound) targets linked to client segments, needs, or outcomes, nor does it include longer-term objectives.

+ The strategy is overall aligned to the mission. The general strategy (financial products, services, delivery models, channels, geographical area of operations) is overall tailored to the target clients and to not harm them. Overall the strategy describes how the provider's products and services create positive changes for clients.

+ The BoD and top management regularly assess (overtime and during crisis) social and environmental performance related risks (incidents resulting in harm to clients, risk of over-indebtedness, not responsible interest rates, incentives that can lead to negative employees behaviour, lack of transparency, negative environmental impacts, gender inequalities and discrimination, failures in data privacy and security, fraud and corruption, non decent work conditions for staff) using internal reports (SEC reports, management reports, internal audit reports) and takes appropriate actions to avoid them. External assessments (Social Rating, Client Protection Certification and Code of Conduct assessment) providing the BoD and top management with an independent opinion of the social risks.

1.2 Social and financial balance

Responsible growth: Good
Shareholders' alignment to the triple bottom line: Adequate
Responsible pricing: Excellent
Management compensation alignment to the triple bottom line: Adequate

Responsible growth

+ The management team reviews the total growth rates along the regions and branches growth rates monthly and formally identifies the variance compared to the growth targets.

+ AMK Bank actively monitors market saturation using both internal analytics and external data, including Cambodia Microfinance Association (CMA) industry reports and quarterly Credit Bureau Cambodia (CBC) insights. Credit and BI teams jointly assess market share, peer performance, and penetration to guide planning. A bottom-up budgeting approach incorporates field inputs, with growth targets monitored annually and dynamically adjusted during the year in response to saturation and over-indebtedness risks.

+ The sustainability of growth has been globally acceptable in the past 3 years considering the medium-high microfinance penetration, the market infrastructure (credit bureau) and the fair internal capacity in terms of internal control, internal audit, operational processes and credit polices. However, the growth from Dec-24 to Dec 25 is due to the change in bank-level strategy (from disbursement of high ticket size secured individual lending compared to group level low ticket size disbursements).

Financial performance	**Dec-23**	**Dec-24**	**Dec-25**
Growth in active borrowers	-9.9%	-17.1%	-16.5%
Growth in outstanding portfolio	0.4%	-2.5%	9.6%
Growth in number of staff	5.8%	-2.3%	-3.2%
Growth in number of branches	-2.0%	-2.7%	0.0%
PAR 30	5.4%	6.4%	8.1%
Write-off ratio	0.4%	0.2%	2.2%
Restructured portfolio	0.5%	9.0%	14.9%
Credit risk ratio	6.3%	15.6%	25.2%
Return on Equity (ROE)	4.3%	1.6%	-11.8%
Return on Assets (ROA)	0.8%	0.3%	-2.1%
Oper. Self-sufficiency (OSS)	107%	103%	84%
Portfolio to assets ratio	81%	82%	85%
Equity to assets ratio	18%	19%	16%
Debt/Equity ratio	4.6	4.2	5.3
Staff productivity (borrow.)	87	74	64
LO productivity (borrow.)	167	142	121
Operating expense ratio	8.8%	8.6%	7.9%
Financial expense ratio	7.2%	7.3%	6.0%
Provision expense ratio	2.9%	2.4%	5.9%
Portfolio yield	19.0%	17.3%	15.3%
Risk coverage ratio (PAR30)	96.2%	78.8%	90.6%
Management/field staff compensation	na	na	21.2

Source: AMK Bank Plc.
Last period: annual data.

Shareholders' alignment to the triple bottom line	+ The level of responsible profitability is moderate: sustainability shows a positive trend despite the bank reporting a negative average ROA of -0.3% over 2023–2025, well below the global benchmark of 1–6%. This underperformance is mainly driven by modest portfolio growth and declining yields, and is further reflected in the absence of a formal dividend policy. At the same time, asset quality pressures have intensified, as reflected in a rising credit risk profile—measured by the combined PAR30+, write-off, and restructured loan ratios—which increased sharply from 6.3% in December 2023 to 15.6% in December 2024 and further to 25.2% in December 2025. However, the bank has outlined clear strategic initiatives to improve profitability, with management projecting ROA to increase from 0.33% in 2025 to 1.81% by 2029. This recovery is expected to be driven by strong volume growth, a shift toward higher-yield individual lending, improved operational efficiency, and planned capital strengthening—such as subordinated debt—to support sustainable returns over the medium term. This performance is set against broader economic challenges in Cambodia, where tourism, construction, and real estate are still recovering and sector-wide PAR has risen. The bank's negative result in 2025 reflects a deliberate strategy to accelerate loan write-offs and raise risk coverage to over 105%, well above industry averages, to address legacy exposures and strengthen resilience. Recent results show recovery: by February 2026, the bank posted a net profit after tax of USD 146k versus a budgeted loss of USD 84k, supported by lower operating expenses that offset slightly reduced income. The balance sheet remains sound, with liquidity above budget, capital 9% higher than planned, and stable provisioning. Overall, these outcomes confirm that profitability pressures No change in the ownership structure has been recently undergone or is planned in the short/medium term. + The financing structure is transparent as the reported leverage ratios incorporate all funding sources, including any off-balance sheet ones. Audited financial statement are available publicly and upon request.
Responsible pricing	+ Please refer to section 2.2 for the responsible pricing analysis.
Management compensation alignment to the triple bottom line	+ The top management compensation is transparent, being accessible to raters upon request. The gap between the top three management and the bottom three field staff compensation (21.2) is above the peer groups but within the threshold of 25:1. The BoD is in charge of setting top management's compensation and reviews it during board meetings. Top management compensation is linked to both financial and social performance, aligned with the achievement of the bank's strategic plan.

+ The Board conducts an annual formal evaluation of the CEO based on the achievement of the strategic plan, which includes social performance indicators aligned with the bank's mission. However, unlike financial and operational metrics, these social indicators are not supported by clearly defined quantitative targets, limiting the rigor of performance assessment in this area.

1.3 Tracking and Monitoring System

Measurement of the target client: Adequate
Measurement of the quality of the services: Excellent
Measurement of the change/impact: Good
Social information consolidation, analysis and reporting: Excellent

Target client

+ The institution has established protocols for social and environmental performance data collection (who collects, how and when) and are implemented in practice. However, there is room for improvement in consolidation and analysis of data. Socio-economic data—such as household size, share of borrowers below the national poverty line, housing ownership, and prior access to formal credit (sourced from CBC reports)—is captured in loan application forms. However, this data is not systematically analysed, limiting its use for strategic decision-making and social performance monitoring.
+ The institution demonstrates an adequate capacity to monitor the client characteristics relevant to its mission and the alignment of the outreach results to the target population. Some relevant data are captured electronically in the MIS, including urban vs. rural location, household income/expenditure, relevant demographic characteristics, age, education achieved, client gender, financed activity and business sector, business size (e.g. asset, capital, turn-over, profit). However, some data ESG data relevant to the mission are not available for all clients but only for a share of them (Loan more than USD 20,000), not fully representative of all clients.
+ A good system is in place to measure the poverty level of clients and the alignment of the poverty outreach results to the mission. The bank uses the Simple Poverty Scorecard (SPS, formerly the Poverty Probability Index – PPI) as its primary poverty assessment tool, complemented by IDPoor, Cambodia's national poverty identification system that classifies households as poor or very poor based on assets, income, and living conditions. Poverty levels are measured using a representative client sample and benchmarked against national poverty levels.

Quality of the services

Please refer to section 2.2.1 for the monitoring of the quality of the service.

Outcome

+ The system to monitor the impact on clients' lives is good. AMK has a well-established system to monitor changes in clients' lives using a longitudinal cohort methodology that tracks the same clients over time. Outcomes are measured across indicators such as household profile (income, education, land ownership), poverty status, loan usage, repayment challenges, savings behaviour, expenditure on basic needs, vulnerability and coping strategies, and changes in economic situation, quality of life, and aspirations. Data sources include the Simple Poverty Scorecard (PPI/SPS), IDPoor, surveys, and interviews, with samples drawn across key client segments, although drop-out clients are not included. The bank conducted a comprehensive longitudinal study with baseline data collected between 2006 and 2012 and endline reporting in 2018; following the revision of its mission in 2022, the outcome study was redesigned to reflect socio-economic changes and incorporate stronger qualitative analysis. The new mixed-method study began with baseline fieldwork in 2023 and an endline planned for 2028, with results disaggregated by gender, age, rural/urban location, sector, product type, client tenure, loan cycle, and mobile banking usage.
+ Impact monitoring is conducted internally, with the first results produced and analysed in 2024. AMK bank plans to monitor impact periodically, at least every five years, with the baseline conducted in 2023 and the endline scheduled for 2028. The study uses a mixed-methods approach, combining quantitative household surveys for statistical representation and measurement of changes between baseline and endline, qualitative in-depth interviews to understand how and why changes occur and the bank's contribution to those changes, and quasi-quantitative village profiles based on structured interviews with village leaders to assess infrastructure, development, and environmental risks. The study covers different client groups, including early-cycle and repeat borrowers, clients using both the bank and other financial institutions, bank-only clients, and savings-only clients. The set of impact indicators assessed is comprehensive and aligned with the organization's goals regarding changes in clients' economic conditions and quality of life.

Information reliability and reporting

+ The quality of the quantitative and qualitative information currently collected on the clients' profile and the change in their lives is good. A good part of the information collected on the client profile and on the client satisfaction is consolidated and reported to the management at least half-yearly.
+ The institution discloses social performance data in a transparent manner through the current Social & Environmental Rating. In addition, it has conducted a social audit, it includes social information in its annual report, in the reporting to ATLAS, to a network (e.g. CMA) and has agreed to disclose the data of this rating in ATLAS.

1.4 HR alignment to the strategy	Staff recruitment and training alignment to the mission: Moderate Staff evaluation and incentive alignment to the mission: Adequate

Staff training alignment

- The capacity of employees and Board members to implement Environmental, Social, and Governance (ESG) practices is supported by ESG training delivered through self-paced e-learning across all branches, covering ESG fundamentals, climate change, and the ESG assessment process. However, training on the ESG assessment tool is limited to management staff, restricting full exposure for non-management staff. Additionally, due to the self-paced format and ongoing staff recruitment and rotation, not all staff had completed the training during the period of analysis, which may lead to uneven ESG implementation capacity across the institution.

Staff evaluation and incentive alignment

- Roles and responsibilities for managing Environmental, Social, and Governance (ESG) risks are not formally specified in the job descriptions of loan officers, branch managers, or other staff involved in ESG processes. The bank has integrated ESG assessment into the credit assessment process for all loans above USD 20,000, and the results are used in credit approval decisions; high ESG risk cases are reviewed by the ESG Committee, headed by the CFO. While internal audit does not review ESG system implementation as part of its regular activities, the business department is responsible for operational implementation of the ESG policy within the underwriting process, and the risk department monitors compliance with the exclusion list and the quality of E&S assessments. However, mitigation measures are not specifically reviewed, and there is insufficient monitoring and reporting of approved high- and medium-risk ESG cases in monthly risk reports and ESG Committee reporting.

+ The staff incentive is designed to contribute to the achievement of some of the institutions' goals. At the bank, front-line employees' compensation includes both fixed and variable components, with the fixed portion representing at least 50% of total pay, ensuring income stability and alignment with living wage standards. Incentives for Relationship Officers and Supervisors are performance-based and linked to portfolio quality, individual performance, customer satisfaction, and responsible lending practices, while support and head office staff receive annual performance-based incentives. Incentive schemes are reviewed annually to ensure they do not encourage negative behaviours such as fraud, aggressive sales, or poor customer treatment. Incentives may be reduced or withheld in cases of staff misconduct in line with internal policies, promoting responsible staff behaviour and risk management. Although incentives scheme place greater weight on portfolio volume than quality, maintaining a minimum PAR threshold remains a qualifying criterion.

2. Social and environmental responsibility

2.1 Social responsibility towards personnel

Labor climate: Good
Staff compensation: Adequate
Professional development: Excellent

Personnel gender balance

+ The gender balance is good: the composition of staff and management is well balanced, while female BoD members are under represented.

Staff turn-over

+ The staff turnover rate is slightly higher than the internal benchmark (see benchmark section). However, CMA peer comparison as of Q4-2025 shows AMK Bank performing better than the sector average, with overall turnover at 20.36% versus 21.00% sectoral, and voluntary turnover at 14.54% versus 17.94%. Notably, AMK's rates are significantly lower than MDI (25.20% overall) and MFI (22.90% overall), highlighting stronger retention relative to peers.

- Staff turnover shows an overall negative trend, increasing in the most recent period after a temporary improvement, and is mainly concentrated at the Loan Officer level, indicating retention challenges in front-line positions and some deterioration in staff retention over the period.

+ Staff leaving for better working conditions or higher salaries in the microfinance sector are among the reasons of turn-over. However, these reasons do no seem to be the main ones. Staff turnover is driven by several factors, including salary expectations, career opportunities, work pressure, and employees leaving to start their own business or move to civil service or military positions, as well as the broader external economic environment.

+ The staff turnover rate is calculated and monitored on a monthly basis, and employees leaving the organization undergo exit interviews, with turnover reasons formally analysed. The Board receives quarterly reporting on employee turnover, including total turnover, voluntary turnover, turnover among middle and top management, and disciplinary actions, allowing adequate oversight of employees' working conditions. However, turnover data is not reported to the Board disaggregated by gender.

Staff	Dec-23	Dec-24	Dec-25
Total staff	**3,737**	**3,650**	**3,533**
Female staff	32.3%	32.8%	33.4%
Female staff in management	28.6%	29.6%	32.1%
Female members of the BoD	22.2%	22.2%	22.2%
Staff turn-over ratio	**23.7%**	**20.8%**	**25.1%**
Male	28%	25%	29%
Female	16%	12%	16%
Management	10.9%	14.5%	10.9%
Loan officers	34.4%	31.3%	35.1%
Other staff	12.2%	9.4%	14.3%

Human resource policies and occupational safety

+ The HR policies are overall complete and cover working conditions, grievance resolution, whistle blower safeguards, anti-harassment, sanctions. The HR policies are generally available to the staff.
+ The existing HR policy complies with the national labour laws. The institution does not use forced or child (under 14 years old) labour and complies with the applicable law when hiring minors.
+ A non-discrimination policy for the staff is formalized and sex, race/ethnicity/national extraction/social origin/caste, religion, health status (including HIV), disability, sexual orientation, political affiliation/opinion, civil/marital status, participation in a trade union. Women represent 33.4% of total staff, and approximately 1% of employees are persons with disabilities. The risk of staff discrimination or favouritism due to gender, religion, family or other factors is low.
+ AMK Bank evaluates the health and safety risks faced by employees, and management receives detailed information on work-related accidents, injuries, and illnesses as they occur. Employees are provided with the necessary equipment to prevent health and safety hazards, and an emergency response plan is in place, with top management regularly trained on its implementation. Relationship Officers are covered by cash insurance, and the Business Continuity Plan (BCP) addresses risks such as fire, robbery, and other critical incidents. In addition, risk incident reports are maintained to record accidents, theft, and other incidents, which are also used to support insurance coverage and staff protection measures.

Labor climate monitoring

+ AMK Bank conducts formal staff satisfaction surveys annually, collecting feedback across three main dimensions: Strategy Management, Human Resource Development, and Working Environment and Employee Engagement. The surveys are conducted anonymously through an online self-administered tool and are open to all staff, with results analysed by gender and position and shared with management, the Board, and employees. There is evidence of corrective actions taken based on survey results, including sharing survey findings via webinars, providing training to supervisory and branch-level staff following changes in internal policies.

+ A formal grievance mechanism is in place allowing employees to raise concerns confidentially, complemented by informal channels that are also actively used by staff. Whistleblowing channels are available through QR code, phone, and email, and are managed by the Legal and Compliance function, which classifies issues and shares them with the relevant departments for action. Additional communication channels, such as Webex sessions, can be used by staff to raise feedback and concerns. The institution also provides employee support initiatives, including financial planning assistance through HR and an employee counselling program, demonstrating a structured approach to employee well-being and grievance resolution.

Contractual conditions and benefits

+ All employees have a formal employment contract mentioning base salary and opportunities for any other type of compensation (incentive pay), job description and performance evaluation process. Salaries are in line with the microfinance labour market for some of the employees. The bank conducts informal salary benchmarking to ensure competitiveness in the labour market, by participating in an annual salary survey conducted among members of the Cambodia Microfinance Association (CMA), focusing on basic pay and market comparisons, which indicates that salaries are generally within a competitive range. To formalize the process, the bank plans to conduct a formal salary benchmarking exercise with an independent consultant every three to four years; however, the formal survey has not yet been conducted and is scheduled for the current year. The salary policy respects the minimum wage regulation. The institution respects local regulation requirements on social protection, working hours and paid leaves.

- AMK bank promotes equal opportunity; however, it does not systematically track or analyse salary data or job positions by gender to ensure equal pay, representation, and equal work opportunities between men and women.

Evaluation, training and development

+ The staff training is good: the majority of the staff receive effective trainings (mix of online and classroom training sessions) as appropriate to their functions at least annually, according to a formal training plan and a dedicated budget. The access to external trainings, besides internal training, is reasonable. The induction of new staff covers the essential skills for each position.

- A formal staff performance appraisal is conducted at least annually for the majority of employees and includes social performance and client protection criteria. Performance evaluations for frontline staff are carried out annually by direct supervisors, with additional input from branch managers and a 360-degree feedback process to ensure fairness and completeness. The appraisal includes key indicators such as Portfolio at Risk (PAR), customer service quality, respectful client treatment, non-discrimination, loan quality, client retention, compliance with procedures, and communication effectiveness. Performance results are used to inform individual development plans, promotions, and salary increases, and career advancement opportunities are provided based on transparent criteria.

2.2 Client protection

Appropriate product design and delivery: Excellent
Prevention of over indebtedness: Good
Transparency: Excellent
Responsible pricing: Excellent
Fair and respectful treatment: Excellent
Privacy of client data: Adequate
Mechanisms for complaint resolution: Good

Appropriate product design and delivery

- AMK Bank systematically uses client feedback, market research, pilot testing, and sales team insights to design new products and improve existing ones. For example, a digital savings product for children aged 13–17 was developed based on client surveys, internal consultations, and pilot testing before its planned launch in Q1 2026 through mobile banking. Similarly, findings from the WASH loan survey—such as loan use, functionality of facilities, and client satisfaction—have been used to improve loan assessment, monitoring, and client guidance, demonstrating how client feedback and outcome data are used to refine products, services, and delivery channels.
- The bank conducts analyses on client product usage across different demographic and socioeconomic segments using Power BI reports, which help management identify patterns in loan uptake, repayment behaviour, and portfolio quality. Although these reports are not produced on a fixed schedule, they are used strategically to support product development, manage exposure to high-risk sectors, and design incentives for loyal clients.
- AMK Bank conducts annual client satisfaction surveys and focus group discussions using representative samples across gender, age, location, and product types. The surveys assess overall service, product terms, staff relationships, and delivery channels, and results are analysed by client segments. Findings show high satisfaction levels while identifying areas for improvement such as service speed, mobile banking performance, and client awareness of products. The results are used to refine products, improve services, and
- Please refer to section 4.2 for the client drop-out analysis.

Prevention of over indebtedness

+ The context risk factor for client over-indebtedness is assessed as medium. Microfinance penetration in the institution's areas of operation and competitors' growth rates in recent years appear moderate, while the level of multiple borrowing is considered intermediate, partly mitigated by the National Bank of Cambodia's multiple lending guidelines. In addition, the information available from the credit bureau is considered adequate, supporting credit risk assessment and helping to manage over-indebtedness risk.
+ AMK Bank provides loans in both USD and KHR depending on clients' preferences and needs. For clients who choose USD loans, the bank informs them about potential foreign exchange risks, including examples showing how fluctuations between USD and KHR may affect repayment amounts. The institution applies a standard exchange rate set by the Treasury team in line with National Bank of Cambodia (NBC) guidelines.
+ The bank applies a prudential limit on loan repayments, with total debt service not exceeding 66.67% of disposable income (DSR ratio of 1.5). If the ratio exceeds acceptable limits, loan amounts are reduced or loan tenures are extended, and collateral or guarantors may be required to ensure repayment capacity. This DSR requirement is embedded in the bank's credit policy and aligns with national responsible lending guidelines. Loan approvals are segregated and typically require at least two approvers, with formalized approval rules. For sectors with high ESG risks, additional due diligence is conducted and approvals are reviewed by the ESG Committee. The bank also has a strong system for consulting and reporting client data through the credit bureau, with mandatory credit bureau checks before disbursement and regular data sharing; the bureau covers key formal financial providers relevant to the bank's target market and data is updated regularly on a weekly basis.
+ The individual cash-flow analysis is good: the client repayment capacity is reasonably estimated through a detailed analysis of the client income, the business and family expenses, other liabilities of the business and of the family members. The analysis of all loans is repeated at each loan cycle. The objective is to confirm that the client has sufficient disposable income and repayment capacity before approving any new loan.
+ The analysis of group members' repayment capacity is considered strong. For group loans, due diligence is conducted individually for each member by the Relationship Officer, who assesses household income, expenses, and liabilities from both formal and informal sources to ensure a comprehensive evaluation of repayment capacity. Relationship Supervisors conduct random rechecks to verify assessments and ensure quality control, creating a dual-layer review process that helps prevent over-indebtedness and supports responsible lending. The bank is also gradually shifting its strategy from group to individual lending, with group loans planned to be phased out by 2029.

+ The functioning of the loan approval algorithm is reviewed at least annually. AMK bank uses a credit underwriting system with predefined formulas to support loan approval decisions and assess client repayment capacity based on income, expenses, liabilities, and credit history. While final decisions involve human review, the system supports consistent credit analysis. The effectiveness of the algorithm and embedded formulas is regularly reviewed by the Credit Underwriting and Risk teams as part of system maintenance and internal control processes. The bank plans to further strengthen algorithm bias checks in 2026 through a new lending system upgrade, as such checks are not currently in place.
+ The quality and quantity of the initial and refresher trainings provided to the loan officers on client protection and repayment analysis are adequate.
+ The portfolio quality is moderate and on a recovery trend, driven by external factors such as weak economic conditions, natural disasters, and border conflicts, as well as internal factors including high staff turnover, capacity constraints, and branch-level approval gaps. The bank has implemented corrective measures including slowing lending to high-risk segments, restructuring loans, reducing group loan exposure, strengthening staff training, and enforcing disciplinary actions. Loan portfolio quality in 2025 shows improvement, though PAR is expected to remain elevated before gradually declining from 2026 to around 2.5%. To support this, the bank is prioritizing loan consolidation, secured lending for clients with stable cash flows, and monitoring over-productivity risks. Clear PAR thresholds have been set, with PAR 90+ capped at 2% and tracked through risk dashboards; five branches were closed in 2025 following reviews of persistently high PAR. Exposure to vulnerable segments has also declined, with agricultural workers reducing from 3.79% in December 2023 to 2.99% in December 2025, and construction workers from 9.05% to 8.04%. These analyses are submitted to the Credit Risk Committee, while staff capabilities are reinforced through training on credit approval, documentation, collateral monitoring, client verification, and NPL management, ensuring a responsible lending environment.
+ The staff incentive scheme considers portfolio quality, portfolio volume, and number of clients; however, the weight attributed to portfolio volume is higher than that of portfolio quality. The variable incentive is capped and cannot exceed the fixed salary. When productivity targets are significantly exceeded, additional reviews are conducted to ensure growth is sustainable and compliant with policies. As part of operational adjustments linked to increased digitization, the bank has scaled down agent numbers in some provincial and urban areas. Monitoring and any corrective actions are coordinated by provincial managers and the Head of Agent and Digital Banking, helping ensure productivity growth remains aligned with compliance and client protection standards.

Transparency

+ AMK Bank provides borrowers with a Key Facts Summary Document prior to signing the loan contract, as part of a comprehensive documentation package that includes the loan agreement, repayment schedule, collateral agreement, withdrawal receipt, and credit bureau report. The Key Facts Summary outlines key loan terms such as loan amount, interest rate, loan term, number and amount of instalments, and due dates. While the loan agreement may not explicitly present the EIR/APR, the total cost of credit—including fees, deductions at disbursement, and any cash collateral usage—is clearly disclosed in the loan transparency pricing file, and staff verbally explain these terms to ensure clients understand their obligations.

+ The bank provides clients with a completed loan contract in physical paper form before loan disbursement. The contract includes key terms and conditions such as collateral requirements, seizure procedures in case of default, consequences of late payments, penalty interest, and prepayment conditions, including how early repayment may affect the total loan cost. For most products, terms and conditions remain fixed throughout the loan period. Grace periods, mandatory savings, mobile wallet linkages, and automatic account debits are generally not applied, except in restructuring cases. Clients retain a copy of the contract for reference, although digital access is not currently available. For group loans, all group members are required to sign the contract.

+ The savings documentation given to the clients includes the account opening form, terms and conditions, and a passbook if requested. These documents explain product features, applicable fees, and operating rules. There is no fee for opening a savings account. Information on interest rates, interest calculation methods, and minimum balance requirements is provided in the terms and conditions and is also published on the bank's official website. Accounts become dormant after 365 days of inactivity, after which dormancy fees may apply. Fixed deposit accounts are supported by a certificate, and client deposits are covered under the applicable national regulatory framework.

+ All clients enrolled to an insurance receive at the time of enrolment a certificate of coverage including the premium, amount and term of coverage, beneficiaries, covered events, major exclusions, how and when to file a claim, documents required to prove the damage, terms related to cancellation and prepayment. The bank offers voluntary insurance products to clients through partnerships with licensed insurers such as Dai-Ichi Life Insurance and Forte General Insurance. The bank's role is limited to introducing and referring interested clients, while the insurance partners are responsible for policy issuance and claims management.

+ Clients have the opportunity and sufficient time to review the terms and conditions of the products before the signature of the loan contract. The bank provides a copy of the loan contract in physical form. Receipts (electronically and paper-based) are provided after every transaction.

+ The institutional transparency index (weighted average of different loan products) is quite high at 82 (between 80% and 90%), indicating a moderate difference on average between the nominal interest rate disclosed to the clients and Annual Percentage Rate (APR) calculated according to the international standards (MFT methodology).

Responsible pricing

+ The price of the majority of loan products reviewed is in line with the peer group of the market: for those products, APR for SME loans, which account for 12% of the total portfolio, ranges from 10.5% to 16.6% with an average of 12.7%; APR for MSME loans, representing 62% of the total portfolio, ranges from 13.1% to 31.8% with an average of 18%; and APR for group loans, comprising 8% of the total portfolio, ranges from 23% to 31.5% with an average of 26.8%. All APRs are calculated using the MF Transparency Pricing Tool and are within 15% of peer benchmarks. The components used to calculate the regulatory interest rate in the Country are partly different than the ones used to calculate the APR according to Microfinance Transparency international methodology (see annex 4). Loan interests (including arrears interests) do not accrue more than 120 days in arrears. Interests of the major credit products are calculated on a declining balance.
Please refer to section 1.2 for the profitability alignment to the mission.

Credit products	Avg. annual percentage rate	Average transparency index [1]	Active borrowers	Portfolio	Average loan balance USD [2]	Average loan balance / GNI pc [2]
Group Loan	27%	68	29%	7%	669	27%
MSME (Micro-Small)	27%	68	56%	41%	2,044	81%
SME (Medium)	13%	99	10%	40%	11,528	457%
AMK Bank Plc	**20%**	**82**	**95%**	**88%**	**2,832**	**112%**

MicroFinance Transparency methodology: Pricing analysis tool. [1] Main loan products constituting altogether >70% of portfolio (annex 4). [2] AMK Bank Plc line data refer to the total portfolio.

Fair and respectful treatment

+ The institution's policies or code of conduct describe the institution's values, standards of general behaviour expected from staff regarding fair and respectful treatment of clients, and sanctions in case of a breach. Moreover, precise rules on forbidding corruption, theft, kickbacks and fraud, client intimidation (abusive language and behaviour, etc), discrimination (elder people, sex, race/ethnicity/national extraction/social origin/caste, religion, health status including HIV, disability, sexual orientation, political affiliation, civil/marital status, participation in a trade union) are in place.

+ The collection policy describes the specific steps to follow in case of default. The acceptable and unacceptable collection strategies (e.g. using violence or humiliating language, calling the client after 8pm), and rules on collateral selling (e.g. parties who cannot buy the collateral) are formalized.

+ A loan restructuring policy exists and it is applied for late clients with willingness, but no capacity to repay. The policy formalizes the cases of specific distress under which clients can be eligible for rescheduling (e.g. natural disaster; serious sickness; death of relative; etc.). Reaching informal repayment agreement (i.e. without changing the loan contract) is possible in practice. A loan write-off policy is in place.

+ Considering the sample size of clients visited and the scope of the client interview, the internal audit mitigates well the risk of fraud against the clients (transparency, repayments, commissions, savings), aggressive sales techniques and abusive collection practices. As part of the audit scope, auditors conduct sample client visits and interviews, typically covering around 20 clients per loan supervisor, to verify that loan terms, fees, and penalties were clearly explained before disbursement. The audit team also reviews supporting documents such as repayment schedules, contracts, and receipts. For non-performing loans, additional client interviews are conducted to assess staff behaviour and ensure no coercive or unethical practices occurred, strengthening transparency and client protection controls.

Privacy of client data

+ The contract includes a privacy clause indicating that the client information cannot be shared without the prior consent of the client. The clients are requested a written consent to share their personal and financial information with the credit bureaus. Systems to protect clients' information are adequate restricted access to physical and digital files based on least privilege principle. Although client information is initially collected at the branch level, it is neither used for loan processing nor shared with third parties, thereby limiting the risk of personal data misuse.

Mechanisms for complaint resolution

+ The complaint channels are fairly accessible to clients and generally suited to clients' preferences (e.g. WhatsApp, a toll-free or paid call centre, the suggestion box at branches, chat support on digital platforms, or through the official AMK website).

+ The clients are informed on how to submit a complaint through multiple touchpoints, including branch offices, agent locations, product documentation, and digital channels. Posters, suggestion boxes, email addresses, and hotline numbers are displayed at offices and agents, while marketing materials, loan documents, and digital platforms, including the website, Facebook, and LinkedIn, feature complaint channels. Field staff also communicate complaint procedures directly during client interactions. The branch offices display the hotline number and the complaint box which is the most preferred channel for clients.

Governance & HR	Please refer to sections 1.1 and 1.4 for the monitoring of Governance & HR
2.3 Environmental management	Environmental strategy and policies: Adequate Environmental risk management: Adequate
Environmental strategy and policies	- The environmental strategy is moderate. The organization has an ESG Policy including environmental goals and indicators, exclusion list,, assessment checklists, guidance notes and types of actions to manage risks and monitoring. However, the following aspects are not yet included in the Environmental Policy : environmental targets to measure progress towards the goals. Research and Development team is appointed to manage environmental issues. + Reporting on environmental practices is adequate. Some data on bank's adverse impact on environment and clients' adverse impact on environment are collected, while data on clients' vulnerability to climate change and outcome results related to environmental products and services provided by the institution are not tracked and collected. The bank's environmental practices are included in the annual report and in the report to the BoD. + AMK bank has developed an Environmental, Social, and Governance (ESG) policy in line with internationally and nationally recognized standards, including National labour laws and the Universal Standards for Social Performance Management (USSPM), and has established an exclusion list to restrict lending to prohibited activities. ABC’s taxonomy is aligned with the British International Investment Green Lending Framework, and its emissions calculations are conducted in accordance with the Partnership for Carbon Accounting Financials (PCAF). + AMK Bank partly meets clients’ needs to implement green practices, adopt environmentally friendly technologies, and cope with climate-related shocks through its existing loan products. Current loan products can be used for activities such as sustainable agriculture, animal breeding, responsible fishery practices, renewable energy, WASH and efficient technologies, and waste management. However, the product offering does not currently address needs such recycling-related activities. As of December 2025, the bank’s green financing exposure was approximately USD 1.2 million, representing about 0.18% of the total portfolio and remaining relatively unchanged. Portfolio quality for green financing weakened, with PAR30+ and NPL ratios rising to 8.72% of the green portfolio, partly due to a slight increase in total outstanding exposure.

Environmental risk management

+ The internal ecological footprint of the organization is relatively well managed. The institution monitors its environmental footprint, including energy consumption and greenhouse gas emissions. As of December 2025, total electricity consumption at headquarters and branches was approximately 2,461,534 kWh. Renewable energy use remains limited (around 0.08%), mainly through a solar air conditioner trial, while most energy consumption still relies on non-renewable sources. The institution also monitors greenhouse gas emissions, including Scope 1, Scope 2, and Scope 3 emissions, which mainly relate to electricity consumption, business travel, and employee commuting. Internal environmental risks are mitigated through measures to reduce paper, water, energy consumption, waste, greenhouse gas emissions, transportation, and fuel consumption. The institution also conducts activities to raise employees' awareness of good environmental practices, particularly in energy consumption.

+ The system to assess and manage ESG risks in the portfolio is considered adequate. ESG risks in the SME portfolio are assessed using an ESG risk assessment form (aligned with IFAD) for loans above USD 20,000, while loans below USD 20,000 are screened against the exclusion list and classified into generic environmental risk categories such as biodiversity, resource efficiency and pollution prevention, and climate change; however, the ESG risk assessment for smaller loans is not yet fully tailored to the context. ESG risk assessments are conducted by loan officers, and the risk level is included in the loan assessment file for review. Loans are classified as low, moderate, or high risk: low-risk loans proceed without additional review beyond exclusion list screening; moderate-risk loans require review by the credit underwriting team and a mitigation plan prepared with the client and business department, and are reported to the ESG Committee monthly; high-risk loans must be reviewed and approved by the ESG Committee, headed by the CFO, and require a mitigation plan. In 2025, four high ESG risk cases were approved. However, monitoring and reporting of approved medium- and high-risk ESG cases in monthly risk and ESG Committee reports remains insufficient.

2.4 Social Responsibility with the

Community social responsibility policies: Excellent
Community projects: Adequate

Community social responsibility policies

+ The exclusion of activities harmful to the community, such as terrorism, money laundering, and child labour, is formalized in an exclusion list that defines prohibited activities for financing. The capacity to verify compliance with the exclusion list is considered adequate, as the types of client activities are generally verified by branch managers or supervisors during field visits; however, internal auditors do not systematically verify compliance with the exclusion list during their client visits.

Community projects

+ The institution engages in small socially responsible projects that benefit the community. In 2025, the bank conducted several CSR activities benefiting displaced families, students, health institutions, and local communities. Through the Border Response Fund, the bank provided care packages to over 560 displaced families in Bavel district, Battambang, and, in partnership with the Cambodian Microfinance Association, supported over 1,400 families in refugee camps across Siem Reap, Preah Vihear, Banteay Meanchey, and Battambang provinces. The bank also donated 30 million KHR to the Cambodian Red Cross to support families of injured and fallen soldiers, as well as water, sanitation, and safety education in refugee centres, and provided direct support to affected staff. Additional CSR activities included donating over 110 million KHR to the Kantha Bopha Foundation, supporting over 150 students at Kong Cha Primary School with educational materials and equipment, contributing over USD 6,000 to education and community organizations, and organizing blood donation campaigns with over 100 staff volunteers donating at least 37,000 ml of blood. However, the amount of funds redistributed to the community is determined based on internal criteria and management decisions, and these criteria are not formally documented or standardized.

3. Outreach

3.1 Area of operation

Geographical coverage: Excellent

Alignment of the geographical outreach to the mission: Excellent

Regions of operation	Poverty	AMK Bank Plc	
		Active borrowers	Outstanding portfolio
Battambang	18.0%	5.8%	5.1%
Siem reap	21.0%	6.4%	5.6%
Kandal	11.0%	8.5%	7.2%
Kampong Speu	12.8%	6.2%	6.9%
Phnom Penh	4.0%	2.3%	9.9%
Takeo	12.0%	7.6%	6.9%
Banteay Meanchey	21.0%	3.5%	3.2%
Kampong Cham	19.0%	7.4%	5.6%
Kampot	10.0%	3.8%	3.4%
Koh Kong	7.9%	1.3%	1.1%
Preah Sihanouk	4.7%	0.8%	2.1%
Kampong Chhnang	45.0%	3.0%	3.5%
Pursat	24.0%	4.3%	3.7%
Stung Treng	28.7%	1.7%	1.7%
Mondul Kiri	24.7%	1.1%	1.1%
Ratana Kiri	30.6%	1.7%	1.5%
Svay Rieng	13.8%	4.4%	6.0%
Prey Veng	22.1%	9.4%	9.1%
Oddar Meanchey	25.3%	3.1%	2.3%
Kratie	30.1%	4.0%	2.8%
Tboung Khmum	23.6%	4.6%	3.9%
Preah Vihear	19.6%	3.0%	2.0%
Kampong Thom	28.0%	5.4%	4.7%
Pailin	25.9%	0.6%	0.7%
Total, AMK Bank Plc		**100%**	**100%**
Urban operations		21.1%	32.5%
Rural operations		78.9%	67.5%
Total, Cambodia	**17.0%**	**Cambodia, Population**	
Urban	9.1%	68%	
Rural	21.7%	32%	

Source: Scores(R) Simple Poverty Scorecard(R) poverty-assessment tool, 2019

+ 100% of provinces of the country are covered.
+ The outreach to areas poorer than the national average and with lower economic development is good: the share of operations located in areas with a higher poverty rate than the national average is large.
+ The coverage of rural areas, with a concentration of financially excluded population, is very large. The share of rural clients (79% as of Dec-25) is significantly higher than the national average in Cambodia.

3.2 Clients reached

Breadth of outreach: Adequate
Alignment of the depth of outreach to the mission: Good

AMK Bank Plc	Jan-23 Dec-23	Jan-24 Dec-24	Jan-25 Dec-25
Active borrowers	3,25,533	2,69,839	2,25,285
Active savers	6,50,497	5,45,408	6,01,782
Gross outstanding portfolio, USD	59,28,21,314	58,61,56,943	63,81,05,064
Total active savings, USD	26,89,35,652	33,19,86,046	40,31,88,141
Branches	147	143	143
Growth in outstanding portfolio	0%	-2%	10%
Growth in active borrowers	-10%	-17%	-17%

- The breadth of outreach indicated by the number of borrowers compared to the regional benchmark is moderate.

+ The number of borrowers is very large compared to the peer group of institutions in the country.

- The average growth of borrowers in the last 3 years has been negative.

+ Active borrowers show a declining trend across consecutive periods, reflecting contraction in the client base and reduced outreach. This outcome is linked to AMK Bank's strategic shift from group lending to higher-ticket individual lending.

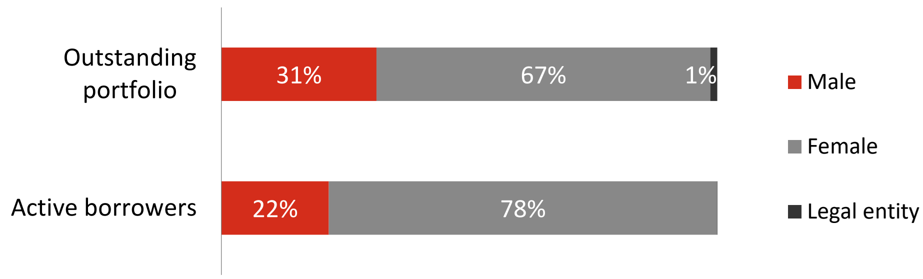
Alignment of social vulnerability and household profile to the mission

+ The outreach to households with a relatively low education level is adequate based on the proxies available. The share of clients who have completed primary education (48%)are in line with the national benchmark.

- The outreach to households with vulnerable demographic characteristics is moderate based on proxies available. The household size, the age dependency index of client households and the number of fixed sources of income per household is captured but not analysed. The share of clients belonging to the vulnerable youth and senior categories (<30 and >60 years) is marginal at 10% as of Dec-25.

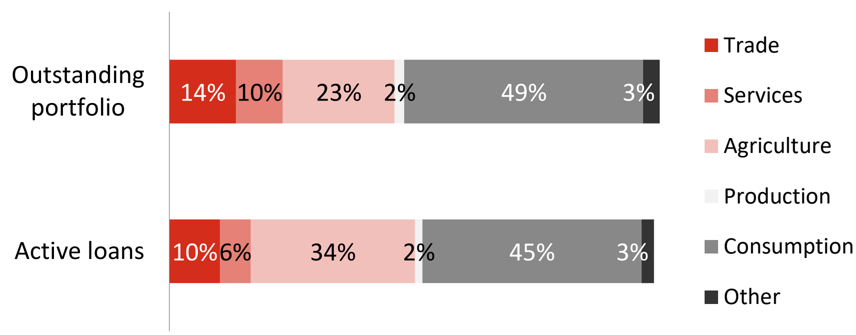
+ The outreach to women is adequate based on the data (79% as of Dec-25). The share of female clients is in line with the regional benchmark. However, there is no data captured to analyse the share of female headed households and the share of female clients without control over the loan.

Dec-25 Gender

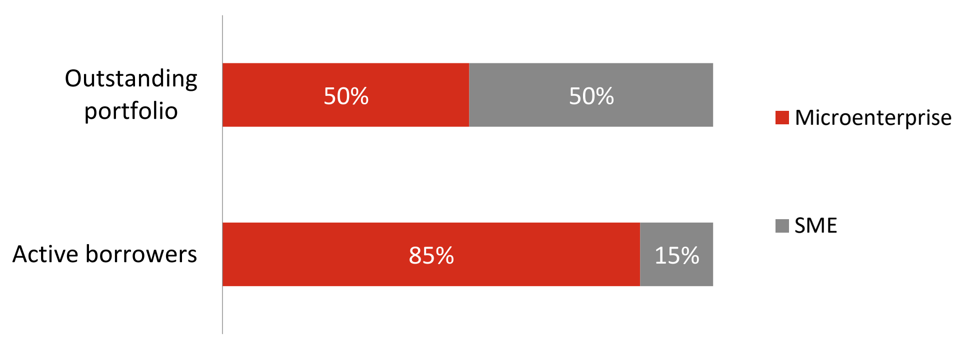


Financed activities - The type of financed activities is not completely in line with the income generation objective: the share of loans financing income generating activities is low and slightly below the regional and charter type peer groups. The portfolio financing income generating activities is composed for 50% of microenterprises and 50% of SMEs.

Dec-25 Activities financed



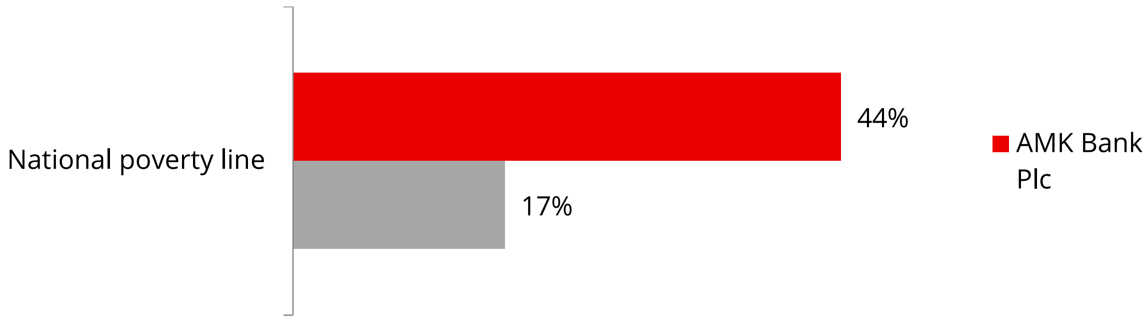
Dec-25 Productive loans purpose



Economic poverty + The poverty outreach is excellent: the poverty rate among clients is in line with the national average, showing a good alignment with the mission.

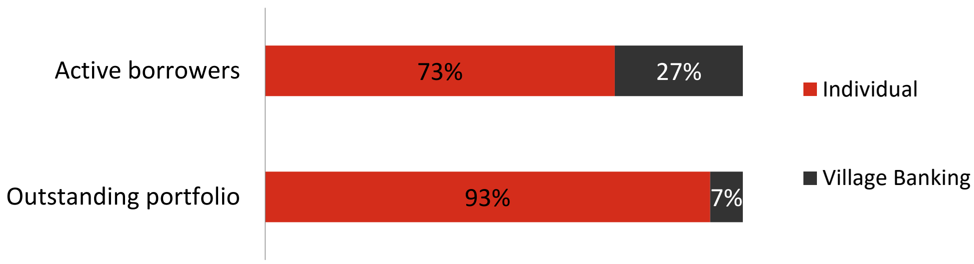
Poverty incidence	AMK	Male	Female	Urban	Rural	Cambod
National poverty line	44%	NA	NA	NA	NA	17.0%

Source: MIS.

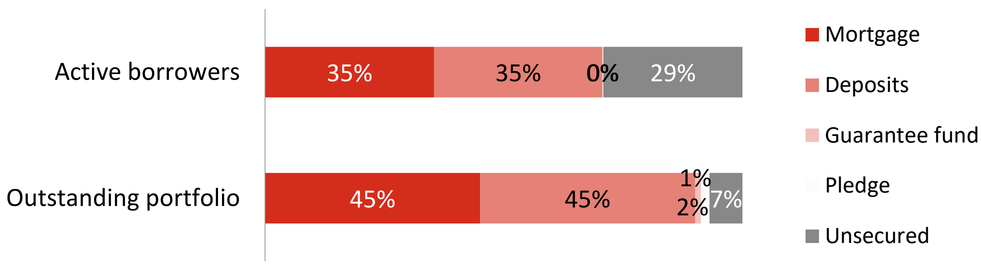


Source: survey on recent clients. See annex 4 for more details.

Dec-25 Lending methodology



Dec-25 Collateral*



*Estimate based on the credit product breakdown

Access to financial services

\+ The outreach to the financially excluded is adequate: the share of clients with no previous access to formal financial services is in line with the national average.

Credit and saving size

\- The average loan balance per borrower on GNIpc is between 100% and 150%, probably indicating a broad type of segment reached.

Loan size	Dec-23	Dec-24	Dec-25
Average loan balance, USD	1,821	2,172	2,832
Average disbursed loan amount, USD	2,171	2,872	4,757
Average loan disbursed ($PPP)	1,36,052	1,77,555	2,96,194
Growth in average loan balance[1]			24.1%

[1] Annual average growth in the last three periods.

Loan size by product	Average loan balance, USD	Loan balance[1] / GNI pc	Growth in portfolio [2]
Group Loan	669	27%	-38%
Emergency Loan	131	5%	-63%
General Loan	1,089	43%	-57%
MSME (Micro-Small)	2,044	81%	5%
SME (Medium)	11,528	457%	42%
Affordable Housing	10,072	400%	12%
Car Loan	11,968	475%	54%
Supply Chain	1,51,141	5998%	-14%
Overdraft for Agent	646	26%	-18%
Staff Loan	8,238	327%	-5%
Overdraft Loan	1,105	44%	39%
Total	**2,832**	**112%**	**10%**

[1] Per borrower. [2] Last period.

+ The average saving balance (<20% GNIpc) probably indicates a poor type of segment reached.

Saving size	Average savings balance, USD	Average saving balance/GNIpc	Number of active savers	Amount of savings
Easy Saving Accounts	213	8%	46%	15%
Lucky Savings Account	14,905	591%	0%	3%
Lucky Plus Saving Account	1,14,043	4526%	0%	5%
Corporate Savings Account	29508	1171%	0%	2%
Individual Term Deposit	46,428	1842%	1%	62%
Corporate FD – End of Term	10,83,949	43014%	0%	3%
Smart Kid Account	212	8%	4%	1%
Future Accounts	852	34%	0%	0%
Total	**670**	**27%**	**100%**	**100%**

4. Quality of the services

4.1 Variety of services	Variety of types of services: Excellent Service variety to meet diverse client financial needs: Good

Variety of types of services:

+ The overall variety of the types of services provided is good: credit and savings are provided to the clients; other financial services (money transfer, payment services, ATM/CDMs, mobile banking, merchant banking and agent banking) and non-financial services are available.

+ The institution is licenced to mobilize savings from the clients and currently offers saving services. In 2010, AMK Bank received its license from the National Bank of Cambodia as a Microfinance Deposit-taking Institution (MDI).

+ AMK Bank partners with Dai-Ichi Life Insurance (Cambodia) Plc. and Forte General Insurance. while AMK serves as a referral service provider, with life insurance products offered on a voluntary basis.

Service variety to meet diverse client financial needs:

+ The need for clients to invest in economic opportunities and address life cycle household needs is well met by the products and services of the institution. Clients have several options available to meet their business and household financial needs, such as loans with appropriate characteristics to finance business working capital, business investments, agriculture, start-up business, life events (such as weddings and funerals), education, health, energy; saving accounts, youth saving accounts, saving plans for wedding, funeral and other life events and saving plans for housing.

+ The need for clients to cope with common emergencies is adequately met by the products and services of the institution. Clients have several acceptable options available to manage shocks in their cash flows and climate shocks, such as : loan restructuring when appropriate, emergency loans, easily withdrawable savings in case of emergency and insurance services. However, there is no specific product for accessible funds or reserves in case of emergency and agricultural or climate insurance.

4.2 Adequacy of services	Adequacy of credit services: Adequate Adequacy of other financial services: Good Adequacy of non-financial services: Adequate

Accessibility: service delivery, time, procedure, guarantee

+ The financial products do not present barriers to the access of the main target population, thanks to the accessible savings size (e.g. small minimum amount), guarantee and requirements (e.g. soft or flexible physical collateral), loan repayment schedules and delivery channels (e.g. Branch collections, mobile banking and payment through True Money, Wing money, etc.). Products are designed for diverse set of client needs (such as individual and village banking) and segments (Business Loan, Agriculture Loan etc.) along with flexible repayment schedule and prepayment options.
+ The service delivery channels are convenient thanks to the adequate coverage of the branch network and the proximity of branches to the areas where the target population lives and the technology appropriated to the digital literacy of clients. There is evidence from the client satisfaction studies conducted by the institution that the share of clients satisfied with the delivery channels is reasonably high.
+ The loan disbursement procedure is quite fast and reasonably simple for the clients: disbursing a loan takes between 3 and 6 days for new clients, and between 1 and 4 days to repeated clients. The process of filling-up the application form is supported by the filed staff when needed. The documents required in case of non-mortgage loans are easy to collect for clients in the majority of cases.
+ The types guarantees required are generally available to the target population, not creating severe hardship in case of seizure, and their value is appropriate to the credit risk of the loans disbursed in the majority of cases. The value of the guarantee is fair compared to the loan amount.

Flexibility: term, frequency, amount and service

+ The loan terms are adequately tailored to the main financial needs of the target population segments. However, a small share of clients does not consider the term to match some of their specific needs (demand for longer term).
+ The loan repayment frequency is adequately tailored to the most frequent business and household cash-flow patterns of the target population segments: the repayment frequency options are not diversified but are generally appropriate. While repayment frequency options are not highly diversified, they are generally appropriate for most clients. However, a small share of clients considers the repayment frequency to be burdensome, possibly due to a mismatch with their specific or stressed cash-flow situations.
+ The majority of the target clients' financial needs are adequately matched by the loan size options available among the different credit products and the different loan cycles.

+ The customer service is adequate as demonstrated by the generally high client satisfaction with the field staff relationship resulting from the research conducted by the institution.

Client drop-out rate

+ The drop-out rate is monitored on a half-yearly basis using a reasonably reliable formula. Besides the level of the drop-out rate, the system does not include a specific review of the trend and the concentration in the branches. The drop-out rate is not calculated by client segments.
+ The client drop-out rate (calculated with MFR formula) is significantly below the majority of peer groups considered (please see benchmark section). The trend in the client drop-out rate is stable over the last 3 years.
+ The clients drop out reasons are formally investigated and tracked for a representative share of exiting clients. Beside managing the individual exit cases, a consolidated analysis is conducted at the level of the organization and of each branch to identify the main reasons of client drop-out. The analysis is conducted at least annually. Overall, the method used to categorize the exit reasons is appropriate to the aim of the analysis.
+ Target clients leaving for other financial institutions with more diverse and appropriate products and services is among the reasons of client drop-out. However, the majority of exiting clients leave because they no longer require a loan or for personal reasons rather than due to dissatisfaction with the institution.

Client drop-out	**Jan-23 Dec-23**	**Jan-24 Dec-24**	**Jan-25 Dec-25**
Client drop-out ratio	19%	19%	16%
Client exit rate (AMK Bank Plc)			na

Appropriateness of financial services other than credit

+ The target segments' needs to build savings and manage their cash-flow are generally well met by the saving services offered by the bank thanks to the diversified saving size options, the flexible savings withdrawal conditions (periodic and objective-related for saving plans, immediately accessible for general saving accounts) and the convenient delivery channels (e.g. mobile banking, debit cards, points of sale, ATMs, merchants and agents for remote areas). There is evidence from the client satisfaction studies conducted by the institution that the majority of clients is satisfied with the saving services.

+ The target segments' needs to protect from business and household shocks are moderately met by the insurance services offered by the institution thanks to the diversified range of events covered, the adequate amount of loss covered, the appropriate term of coverage, the reasonable cost (premium), the appropriate premium payment schedule, the easy process to file a claim and the reasonably short time to receive the reimbursement. The clients expressed positive opinions on the insurance services in the market research carried out by the institution.

+ The money transfer and payment services are adequately tailored to the target clients' needs.

Variety and appropriateness of non financial services

+ The quality and relevance for the target population segments of the non-financial services is moderate. The services are aimed at reducing the vulnerability of clients, at increasing the clients' capability to take advantage of economic opportunities, at empowering clients. However, some non-financial services do not fully match the needs and preferences of the target segments, particularly in areas such as improving household living conditions, building capacity on climate change and environmental degradation, mitigating environmental impacts, and supporting the adoption of green practices and technologies.
+ The offer of non-financial services is adequate, covering more than 10% of the clients. However, the non-financial services business model is not fully sustainable: the funding sources on the long term are not identified and the service costs are not covered by the clients.

+ The alignment of the strategy to the mission is well reinforced by the involvement in additional projects and activities with a relevant social benefit for the clients. In 2025, the bank conducted various CSR activities focused on humanitarian assistance, education, health, and community support, including support to displaced families, donations to health and education organizations, school support programs, partnerships with local organizations, and staff blood donation campaigns.

Annex 1 - Universal Standards and Client Protection Certification

Social & Environmental Rating

- ✓ SEPM Systems
- ✓ Client protection
- ✓ Outreach
- ✓ Quality of the services

[Universal Standards of Social & Environmental Performance Management]

✓ Social & Environmental Rating demonstrates the implementation of the Standards.[1]

[Client Protection Certification]

✓ Social & Environmental Rating gives an indicator of the efforts required to achieve certification.

✓ Social & Environmental Rating is not a certification, but it can be combined with a certification with MFR, a licensed certifier.

USSEPM validated by Social & Environmental Rating	Implementation
1 Social Strategy	**Good**
1a The provider has a strategy to achieve its social goals.	●●●
1b The provider collects, analyzes, and reports data that are specific to its social goals.	●●●
2 Committed Leadership	**Intermediate**
2a Members of the board of directors hold management accountable for achieving the provider's social g	●●●
2b Senior management is responsible for implementing the provider's strategy for achieving its social goa	●●
3 Client-Centred Products and Services	**Good**
3a The provider collects and analyzes data to understand clients' needs.	●●●
3b The provider's products, services, and channels benefit clients.	●●
4 Client Protection	**Intermediate**
4a The provider does not overindebt clients.	●●
4b The provider gives clients clear and timely information to support client decision making.	●●●
4c The provider enforces fair and respectful treatment of clients.	●●●
4d The provider secures client data and informs clients about their data rights.	●●
4e The provider receives and resolves client complaints.	●●
5 Responsible Human Resource Development	**Intermediate**
5a The provider creates a safe and equitable work environment.	●●
5b The provider's HR system is designed to attract and maintain a qualified and motivated workforce.	●●●
5c The provider's Human Resource Development system supports its social strategy.	●●
6 Responsible Growth and Returns	**Intermediate**
6a The provider manages growth in a way that promotes its social goals and mitigates risks to clients.	●●
6b The provider sets prices responsibly.	●●
6c The provider uses profits responsibly.	●●
7 Environmental Performance Management	**Intermediate**
7a The provider has an environmental strategy and systems in place to implement it.	●●
7b The provider identifies and manages environmental risks and opportunities.	●●
7c The provider offers financial and non-financial products and services to achieve its environmental goal	●●

Implementation: ●●● high; ●● intermediate; ● low.

[1] Universal Standards map included in the Social & Environmental Rating Methodology (www.mf-rating.com)

Social & Environmental Rating general opinion on the Client Protection Certification	Status
1 Appropriate product design and delivery	Certified
2 Prevention of over indebtedness	Certified
3 Transparency	Certified
4 Responsible pricing	Certified
5 Fair and respectful treatment	Certified
6 Privacy of client data	Certified
7 Mechanisms for complaint resolution	Certified
8 Governance & HR	Certified

Annex 2 – Social Indicators

CLIENT PROTECTION AND SOCIAL RESPONSIBILITY	Dec-25
Female staff	33.4%
Female staff in management	32.1%
Staff turn-over ratio[1]	25.1%
Portfolio yield	15%
Average annual percentage rate (APR)	20.4%
Average transparency index	82
Operating expense ratio	7.9%
PAR30	8.1%
Return on Equity (ROE)	-11.8%
Return on Assets (ROA)	-2.1%
OUTREACH	
Active clients	5,28,268
Active borrowers	2,25,285
Active savers	6,01,782
Growth in active borrowers	-17%
Growth in outstanding portfolio	10%
Individual methodology, portfolio	93%
Individual methodology, loans	73%
Village banks methodology, portfolio	7%
Village banks methodology, loans	27%
Urban coverage, portfolio	32%
Urban coverage, clients	20%
Rural coverage, portfolio	68%
Rural coverage, clients	73%
Agriculture, portfolio	23%
Agriculture, loans	34%
Income generating activities, portfolio	48%
Income generating activities, loans	52%
Productive portfolio to microenterprises	50%
Productive loans to microenterprises	85%
Productive portfolio to SMEs	50%
Productive loans to SMEs	15%
Female clients, portfolio	67%
Female clients	78%
Clients <30 years old	10%
Clients below the national poverty line	44%
Exclusive borrowers	52%
Average loan balance, USD	2,832
Average loan balance / GNI pc	112%
Average disbursed loan amount, USD[2]	4,757
Average loan disbursed ($PPP)	2,96,194
Average saving balance, USD	670
QUALITY OF THE SERVICES	
Client drop-out ratio	16%

Source: MIS.
[1]Calculated with average number of staff. [2]Calculated with average exchange rate

Annex 3 – Financial Products

Credit products, USD	Group Loan	Emergency Loan	General Loan	MSME (Micro-Small)	SME (Medium)
Loan purpose	Personal	Personal	Personal	Microenterprise	SME
Lending methodology	Group Loan	Individual	Individual	Individual	Individual
Currency	KHR	KHR	KHR/USD	KHR/USD	KHR/USD
Type of interest	Declining balance	Declining balance	Declining balance	Declining balance	Declining balance
Min. annual interest rate	18.0%	18.0%	16.8%	13.2%	10.5%
Max. annual interest rate	18.0%	18.0%	18.0%	18.0%	15.6%
Upfront fees (% or amount)	4%-7%	None	3%-4.5%	0%-1%	0%-1%
Ongoing fees (% or amount)	None	None	None	None	None
Min. amount, USD	2	2	2	2	2
Max. amount, USD	986	99	1,479	19,714	2,95,708
Min. maturity (months)	1	1	1	1	1
Max. maturity (months)	24	10	24	120	120
Repayment frequency	Monthly	End-term payment	Monthly	Monthly	Monthly
Grace period (months)	0	0	0	0	0
Collateral	Unsecured.	Unsecured.	Mortgage. Deposits (cash, time deposits, gold).	Mortgage. Deposits (cash, time deposits, gold).	Mortgage. Deposits (cash, time deposits, gold).
Mandatory savings	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Target population	Low-income rural households need funds for consumption and income generation.	Existing AMK clients require support for family emergencies.	Clients seek financing to expand or start new businesses.	Micro and small enterprises need capital for business growth or creation.	Medium enterprises require capital to expand or establish new ventures.

Credit products, USD	Affordable Housing	Car Loan	Supply Chain	Overdraft for Agent	Staff Loan
Loan purpose	Personal	Personal	Personal	Personal	Personal
Lending methodology	Individual	Individual	Individual	Individual	Individual
Currency	KHR/USD	KHR/USD	KHR/USD	KHR/USD	KHR/USD
Type of interest	Declining balance	Declining balance	Declining balance	Declining balance	Declining balance
Min. annual interest rate	12.0%	8.0%	10.5%	18.0%	2.0%
Max. annual interest rate	18.0%	18.0%	15.0%	18.0%	10.0%
Upfront fees (% or amount)	0%-1%	1%-4%	0%-1%	1%	0%
Ongoing fees (% or amount)	None	None	None	None	None
Min. amount, USD	4,929	2	2	2	2
Max. amount, USD	49,285	49,285	2,95,708	4,928	98,569
Min. maturity (months)	1	1	1	1	1
Max. maturity (months)	240	72	120	36	240
Repayment frequency	Monthly	Monthly	Monthly	Monthly	Monthly
Grace period (months)	0	0	0	0	0
Collateral	Mortgage. Deposits (cash, time deposits, gold).	Pledge (e.g. stock, equipment, vehicle, invoice).	Mortgage. Deposits (cash, time deposits, gold). Guarantee fund. Pledge (e.g. stock, equipment, vehicle, invoice).	Mortgage. Unsecured.	Mortgage. Deposits (cash, time deposits, gold).
Mandatory savings	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Target population	Regular income clients (business or salary) needing loans for home or vehicle.	Client who needs the fund to purchase verhicle for personal/family use	SMEs (agri-business, green, trade, manufacturing) requiring supply-chain capital.	AMK agents needing reserve funds for operations or cash-flow gaps.	AMK staff seeking housing or home improvement loans.

Credit products, USD	Overdraft Loan
Loan purpose	Personal
Lending methodology	Individual
Currency	KHR/USD
Type of interest	Declining balance
Min. annual interest rate	10.5%
Max. annual interest rate	15.6%
Upfront fees (% or amount)	0%-1%
Ongoing fees (% or amount)	None
Min. amount, USD	2
Max. amount, USD	2,95,708
Min. maturity (months)	1
Max. maturity (months)	36
Repayment frequency	Monthly
Grace period (months)	0
Collateral	Mortgage. Deposits (cash, time deposits, gold).
Mandatory savings	Not Applicable
Target population	Medium enterprises require working capital to manage business cash flow.

Saving products, USD	Easy Saving Accounts	Lucky Savings Account	Lucky Plus Saving	Corporate Savings	Individual Term Deposit
Currency	KHR/USD	KHR/USD	KHR/USD	KHR/USD	KHR/USD
Min. annual interest rate	2/1.75 %	3/2.75 %	3.75/3.5%	1.5/1%	3/2.50 %
Max. annual interest rate	3/2.75 %	3.75/2.5 %	3.75/3.5%	1.5/1%	6/5.5 %
Fees charged to clients (% or amount, upfront or ongoing)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Min. accepted balance, USD	0	500	5,000	100	25
Term (months)	No limit	No limit	No limit	No limit	1
Interest payment frequency	Interest accrues daily on end-of-day balance, paid monthly automatically.	Interest accrues daily on end-of-day balance, paid monthly automatically.	Interest accrues daily on end-of-day balance, paid monthly automatically.	Interest accrues daily on end-of-day balance, paid at account closure automatically.	Interest earned at end of month (lower rate) or at maturity (higher rate).
Anticipated withdrawal penalty	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Receive First Tier of Easy Saving Account Interest Rate

Saving products, USD	Corporate FD – End of Term	Smart Kid Account	Future Accounts	Corporate FI FD - End of	Corporate Savings FI
Currency	KHR/USD	KHR/USD	KHR/USD	KHR/USD	KHR/USD
Min. annual interest rate	3.25/3 %	Not Applicable	3.25/3.25 %	0.75/0.75 %	0.5/0.5 %
Max. annual interest rate	5.5/5 %	Not Applicable	5.50/5 %	5.25/4.75 %	0.5/0.5 %
Fees charged to clients (% or amount, upfront or ongoing)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Min. accepted balance, USD	100	10	5	100	100
Term (months)	3	60	3	1 week	No limit

Interest payment frequency	Interest is earned on maturity date	Interest accrues daily on end-of-day balance, paid at account closure automatically.	Interest payment on maturity date.	Interest accrues on maturity, paid into settlement account automatically.	Interest accrues daily on end-of-day balance, paid monthly automatically.
Anticipated withdrawal penalty	Closing before maturity or before 1/3 of term: no interest + 0.1% penalty (min 80,000 KHR). Closing between 1/3–2/3 of term: 50% corporate savings rate. Closing after 2/3 of term: full corporate savings rate.	Closing before 5 years: only principal returned.	Closing before maturity: receive Easy Saving Account interest.	Break term before 1/3: 0.1% penalty (USD20/KHR80,000) + no interest. Break term 1/3–2/3: 50% corporate rate. Break term after 2/3: full corporate FI rate.	Not Applicable

Saving products, USD	Happy Old Age Accounts	Staff Savings Account	Deferred Incentive	Loan Linked Savings	Settlement Account
Currency	KHR/USD	KHR/USD	KHR/USD	KHR/USD	KHR/USD
Min. annual interest rate	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Max. annual interest rate	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Fees charged to clients (% or amount, upfront or ongoing)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Min. accepted balance, USD	5	0	0	0	0
Term (months)	60	No limit	No limit	Follow Loan Term	No Limit
Interest payment	Voluntary	Voluntary	Voluntary	Voluntary	Voluntary
Anticipated withdrawal penalty	Not Applicable	Not Applicable	Not Applicable	Client may use savings balance for loan settlement or withdrawal after loan payoff, no penalty.	Not Applicable

Annex 4 - Definition of Indicators and Statistics

SOCIAL PERFORMANCE MANAGEMENT	
PAR 30	Outstanding balance > 30 days in arrears / Gross outstanding
Write-off ratio	Portfolio written-off during the period / Average gross portfolio
Restructured portfolio	Gross rescheduled or refinanced portfolio / Gross outstanding
Return on Equity (ROE)	Net income / Average equity
Return on Assets (ROA)	Net income / Average assets
Adjusted Return on Equity (AROE)	Adjusted net income / Average equity
Adjusted Return on Assets (AROA)	Adjusted net income / Average assets
Oper. Self-sufficiency (OSS)	(Financial revenues + Other operating revenues) / (Financial expenses + Provision expenses + Operating expenses)
Fin. Self-sufficiency (FSS)	(Adjusted financial revenues + Other operating revenues) / (Adjusted financial expenses + Adjusted loan loss provision expenses + Adjusted operating expenses)
Staff productivity (borrow.)	Number of active borrowers (clients) / Number of staff
LO productivity (borrow.)	Number of active borrowers / Number of loan officers
LO productivity (groups)	Number of groups / Number of loan officers
Operating expense ratio	Operating expenses / Average gross outstanding portfolio
Financial expense ratio	Interest and fee expenses on funding liabilities / Average gross
Provision expense ratio	Loan loss provision expenses / Average gross outstanding
Portfolio yield	Interest and fee revenues on loan portfolio / Average gross
Risk coverage ratio (PAR30)	Loan loss reserve / Portfolio at risk >30 days
Cost of funds ratio	Interest and fee expenses on funding liabilities / Average funding
Debt/Equity ratio	Total liabilities / Total equity
Management/field staff compensation	Average top 3 management compensation / Average bottom 3 field staff compensation
CLIENT PROTECTION AND RESPONSIBILIT	
Staff turn-over ratio	Staff who left during the period / Average staff at in the period
Avg. annual percentage rate (APR)	Includes interest rate, method of interest calculation, commissions, taxes, mandatory savings (see MicroFinance Transparency tool)
Average transparency index	The annual Percentage Rate (APR) of the institution is the (Nominal interest rate / Annual Percentage Rate) * 100 The transparency index of the institution is the average transparency index of all the products weighted by the percentage of number of loans by product
OUTREACH	
Average loan balance	Outstanding portfolio (end of period) / Number of active loans (end of period)
Average disbursed loan amount	Amount disbursed during the period / Number of loans disbursed during the period
Average loan disbursed (\$PPP)	Amount disbursed in local currency * \$PPP conversion factor
QUALITY OF THE SERVICES	
Client drop-out ratio	(active clients at the beginning of the period + new (first time) clients during the period – clients written-off during the period – active clients at the end of the period) / (active clients at the beginning of the period)
n/a	Not applicable
na	Data not available

Annex 5 – Social & Environmental Rating Scale

Grade	Definition
^{S}AA	Excellent social performance management and client protection systems. High likelihood of achieving the mission.
^{S}A	Good social performance management and client protection systems. Mission likely to be achieved.
^{S}BB	Adequate social performance management and client protection systems. Satisfactory alignment to the mission.
^{S}B	Moderate social performance management and client protection systems. Partial alignment to the mission
^{S}C	Weak social performance management and client protection systems. Medium risk of mission drift
^{S}D	Poor social performance management and client protection systems. Risk of mission drift.

The modifiers "+" and "-" which can be added to the rating grade indicate small relative differences within each rating category.

More information: www.mf-rating.com