

ANNUAL REPORT



2011

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1. CCSF AT A GLANCE

1.1 Legal Status

Cambodian Community Savings Federation was previously known as a Small Economic Activity Development project of CARE Cambodia, financially supported by AusAID thru CARE Australia. The project has been transformed on 1st January 2003. CCSF is a first pioneer of Credit Union Model in Cambodia since January 1998, promoting savings and thrift habits based on nine international operating principles of Credit Unions.

In practice, CCSF operates as a federation of credit unions by virtue of its registration with the Ministry of Interior of the Royal Government of Cambodia on 6th December 2002. It also operates as a rural microfinance service provider by virtue of its registration with the National Bank of Cambodia on 7th March 2003.

CCSF is the first pioneer of credit union in Cambodia, empowering local rural low-income families to form micro-finance organizations at the community base level, which are owned, managed, and controlled by the members themselves. CCSF is operating in northwest region of the country, Battambang and Banteay Meanchey provinces. 29 Community Based Micro-Finance Organizations (CBMIFOs) are registered as member networks of CCSF.

VISION:

A sustainable Community Based Micro-Finance Organization involved in poverty alleviation.

MISSION

To provide affordable financial services to the communities especially low-income families, to improve their living standard.



1.2 OBJECTIVES:

- Educate and motivate people about the importance of savings and credit and help them to be self-reliant in development.
- Promote, establish and strengthen self-managed savings and credit banks.
- Support, organize and conduct various types of training, education campaigns, seminars, workshops, etc. with a view to developing human resources and local leadership as needed.
- Provide necessary support and technical guidance to its member societies and potential new groups and enhancing their resources and development capabilities.
- Undertake and facilitate other necessary promotional functions for the benefit and development of the savings and credit groups/societies.
- Facilitate and support the groups to conduct various self-organized income generating activities.
- Provide linkages between the savings and credit union movement and other line agencies and coordinate the activities with them as appropriate.

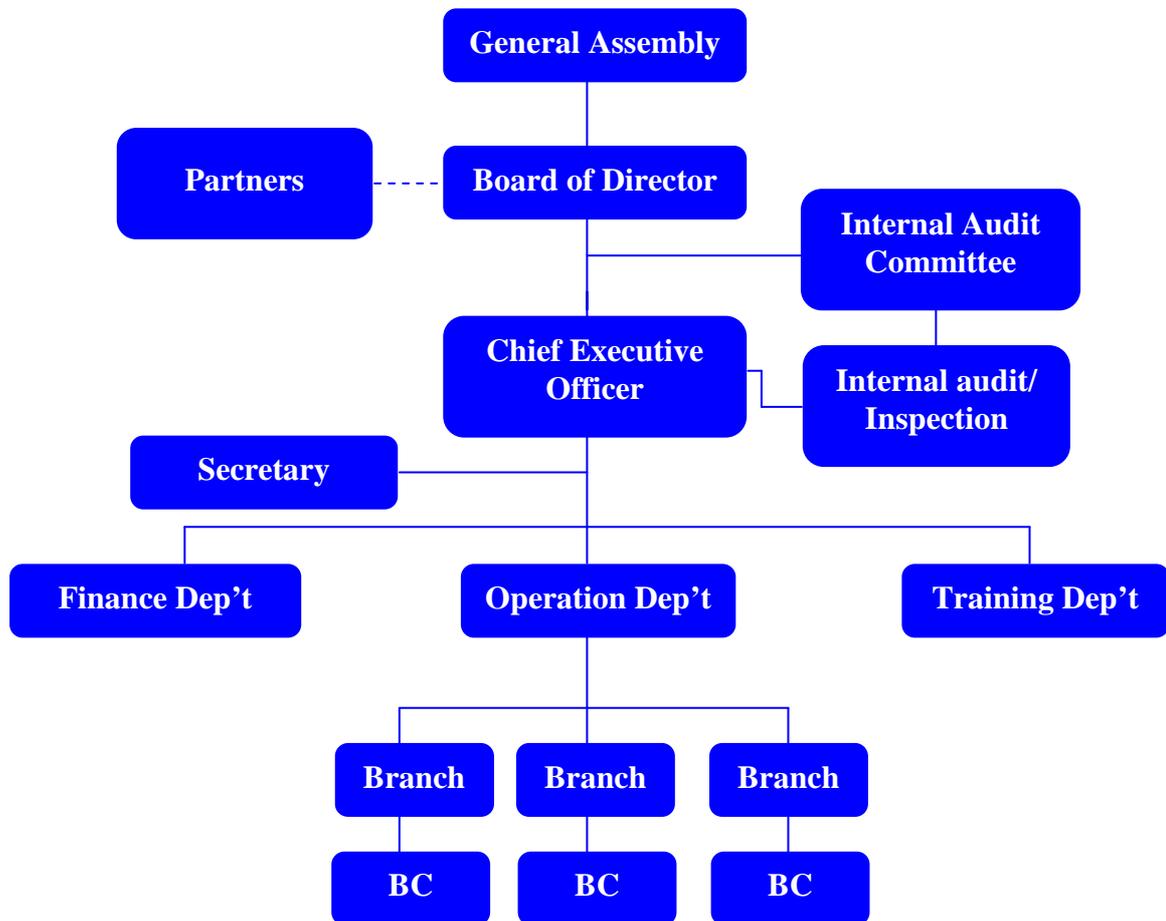
1.3 History

Table below demonstrates progressive evolution of CCSF from 1998 up to date.

YEAR	MAIN ACTIVITIES
2011	<ul style="list-style-type: none"> - Operation area: 8 districts in Battambang province, 6 districts in Banteay Meanchey province. Total 14 districts. - Started new partnership with CARE UK. - Join membership with Cambodia Microfinance Association (CMA).
2010	<ul style="list-style-type: none"> - Ended Partnership with Agriterra. - Operation area: 8 districts in Battambang province, 5 districts in Banteay Meanchey province. Total 13 districts.
2009	<ul style="list-style-type: none"> - Operation area: 8 districts in Battambang province, 5 districts in Banteay Meanchey province. Total 13 districts.
2008	<ul style="list-style-type: none"> - Started new partnership with ETIMOS, Italy. - Operation area: 8 districts in Battambang province, 5 districts in Banteay Meanchey province. Total 13 districts.
2007	<ul style="list-style-type: none"> - CCSF reaches operational self-sufficiency by the end of 2007. - Operation area: 8 districts in Battambang province, 5 districts in Banteay Meanchey province. Total 13 districts. - Expanded the program to Phnom Srok, Banteay Meanchey province. - CCA phased out in June 2007. - CUFA phased out in February 2007.
2006	<ul style="list-style-type: none"> - Started new partnership with Rabobank foundation in December 2006. - Started new partnership with Agriterra, the Netherlands. - Pilot establishment of Business Center in Mong Reussey district. - Operation area: 8 districts in Battambang province, 4 districts in Banteay Meanchey province. Total 12 districts. - Expanded the program to 2 districts in Banteay Meanchey province: 1) Ochreuv, and 2) Serei Sophon district. - Established 2 Business Centers on 1st January 2006: 1) Kamrieng district, Battambang province; 2) Preh Netpreh district, Banteay Meanchey province.
2005	<ul style="list-style-type: none"> - CARE Australia/AusAID phased out by the end of December 2005. - Operation area: 7 districts in Battambang province, 2 districts in Banteay Meanchey province. Total 9 districts. - Expanded the program to Kamreang district, Battambang province, and Preh Netpreh district, Banteay Meanchey province. - Established 3 branches on 1st January 2005: 1) Battambang, 2) Bavel, and 3) Banteay Meanchey.

YEAR	MAIN ACTIVITIES
2004	<ul style="list-style-type: none"> - Operation area: 7 districts in Battambang province, 1 district in Banteay Meanchey province. Total 8 districts. - Started new partnership with Canadian Cooperative Association. CCA financially supported program expansion thru establishment of sub-office in Mong Reussey district, Battambang province. - Started new partnership with Credit Union Foundation Australia (CUFA). CUFA and ACCU financially supported program expansion thru establishment sub-office in Banteay Meanchey province. The program was implemented in Monkol Borei district.
2003	<ul style="list-style-type: none"> - Decision to register as affiliate member of Asian Confederation of Credit Unions (ACCU). Recognition of membership is made on 27th September 2003. - Decision to register with Nation Bank of Cambodia as Rural Credit Operator on 7th March 2003. - Transformed the project of CARE Cambodia to Local NGO, Cambodian Community Savings Federation, on 1st January 2003, by virtue of its registration with the Ministry of Interior of the Royal Government of Cambodia on 6th December 2002.
2002	<ul style="list-style-type: none"> - Preparation of transformation of the project to Local NGO called "Cambodian Community Savings Federation-CCSF". - Commenced third phase of three year project, 2002-2005, financially supported by AusAID thru CARE Australia. The project to consolidate the saving mobilization program thru merging methodology towards building operational and financial viability of the CBMIFOs.
2000-2001	<ul style="list-style-type: none"> - CARE USA phased out by the end of 2001. - Operation area: 6 districts. - Expanded the program to Bavel and Thmorkol districts, Battambang province financially supported by CARE USA.
1999-2002	<ul style="list-style-type: none"> - Commenced second phase of three year project, 1999-2002, financially supported by AusAID thru CARE Australia. The project to scale up the program in 6 districts within Battambang province: 1) Sangke, 2) Battambang, 3) Ek Phnom, 4) Banan, 5) Bavel and 6) Thmorkol.
1998-1999	<ul style="list-style-type: none"> - Started working in partnership with Association of Asian Confederation of Credit Union (ACCU). The project received Technical Assistance from ACCU since the start of the project, aiming at to replicate the credit union model in Cambodia. - The project was shifted from working in partnership with 4 local NGOs to pilot the program directly thru establishment Saving Banks in 4 districts: 1) Sangke, 2) Battambang, 3) Ek Phnom, and 4) Banan. - Commencement of "Pilot Saving Mobilization" project of CARE Cambodia, Jan 1998-Jun 1999, financially supported by CARE Australia in two districts within Battambang province. The project was working in partnership with 4 local NGOs: 2 partners in Ek Phnom district, and 2 partners in Mong Reussey district.

1.4 CCSF Organizational structure



1.4.1 Board of Director

The Board of Director comprises of five members, elected by Annual General Meeting (AGM) represented by 100% of the membership of CCSF. The composition of the BoD members is representative of BoD members of the member organizations. The BoD meets every two months.

1.4.2 Internal Audit Committee:

The internal audit committee comprises of 3 members: 1) Chairman of BoD; 2) Chief Executive Officer; and Manager of Internal Audit Department. The committee meets every two months.

1.4.3 CCSF Senior Management Team:

Daily operation is managed by CCSF management, which led by a Chief Executive Officer (CEO), supported by four main departments: 1) Operation, 2) Accounting & Administration, 3) Internal Inspection, and 4) Training. Each department is led by Department Managers. The department managers are formed a Senior Management Team. Short biography of the Senior Management Team is as below.



Ms. Phal Pisey, Chief Executive Officer, and the founder of CCSF. She was a project coordinator and project manager of Small Economic Activity Development (SEAD) of CARE Cambodia, who initiated saving mobilization program since January 1998. She graduated Russian language in 1989 at Phnom Penh University. She attended several courses of training on Credit management in-country and abroad, and Credit Union Management in abroad. In January 2003, she initiated transformation of the project into a Community Based Micro-Finance Organization.



Mr. Meas Thon, Manager of Operation Department, second in charge of CCSF, and the founder of CCSF. He graduated BBA in Human Resource Management at the Institute of Management and Economics (IME) in 2003. He has worked for CCSF since 1998 as a senior trainer and been promoted as a Manager of Operational Department since 2002. He attended several courses of training on Credit Union Management in abroad. He has many experiences in training field with International & Local NGOs.



Mrs. Nget Ny, Manager of Accounting & Administration Department. She graduated BBA in 2002 at National Institute of Management (NIM). She has worked for CCSF since 2004 as an accountant and been promoted as a Manager of Accounting & Administration Department in 2006. She attended several courses of training, accounting, financial management, and related courses to this field. She has many experiences in this field with International NGO.



Mr. Diep Kitya, Manager of Internal Audit Department. He graduated BBA major in Management at University of Management and Economics (UME) in 2004. He has worked for CCSF since 2006 as an Internal Auditor. He has been promoted as a Manager of Internal Auditor in 2009. He attended several courses of training on Credit Union Management and internal audit procedures in the country. He has experiences in micro-credit field with local NGO.

1.4.4 Branch Managers:

The financial services provided to the member organizations (CBMIFOs) are directly managed by the Branch Managers. Short biography of the Branch Managers is as below.



Mrs. Chea Chanda, Branch Manager, Battambang Branch. She is one of the founders of CCSF. She obtained BBA in Management in 2003 at Institute of Management and Economics (IME), and graduated pedagogy of primary school 1995. She has worked for CCSF since 1998 as a Member Service Officer and been promoted as a Branch Manager in 2005. She attended several courses of training on Credit Union Management in the country and abroad.



Mr. Eng Kunthy, Branch Manager, Bavel Branch. He graduated high school. He has worked for CCSF since 2000 as a senior Member Service Officer and been promoted as a Branch Manager in 2005. He attended several courses of training on Credit Union Management in the country and abroad. He has many experiences in community development, especially micro-credit more than 10 years with Local NGO.



Mr. Chun Seng, Branch Manager, Banteay Meanchey Branch. He graduated BBA major in Human Resource Management at University of Management and Economics (UME) in 2006. He has worked for CCSF since 2005 as a Loan Officer and been promoted as a Deputy Branch Manager in 2006, He has been promoted as a Branch Manager in 2008. He attended several courses of training on Credit Union Management in the country and abroad. He has experience in accounting field with local NGO, and loan management with ACLEDA bank.

2. OPERATIONAL ACHIEVEMENT

2.1 CBMIFO level

2.1.1 CBMIFO's Directors & Management Competencies

Good governance and management of the CBMIFOs, particularly in asset & liability management, is essential to safeguard member's savings. Hence, competencies of directors, management, and employees of the CBMIFOs are the key element of success and sustainability of the CBMIFOs.

Due to the CBMIFOs are respecting the main operating principles, which one of them is "democratic control", the leadership of the CBMIFOs are changed based on the democratic election made by the Annual General Meeting. Thus, technical training provided to the leaders of the CBMIFOs is very essential which need to be provided on-going basis.

In 2011, two advanced training courses, 1) Positioning Credit Union in the market place, 2) Credit Union Management, had been provided to 85 directors and management staff of the CBMIFOs, of which 35 are women.

Aside providing advanced training, on-going coaching and mentoring on several fields in managing the CBMIFOs in sustainable ways is provided to the employees of the CBMIFOs on daily basis.

Basic training on building awareness of importance of savings is provided in the field by CCSF Member Service Officers (MSOs) to the new elected committee members, and local authority, including village, commune, and district chiefs, aim at to introduce importance of the savings for the rural poor and importance of being membership of the CBMIFOs. This year, there are 49,607 attendees, of which 16,436 are female, attended this training.



Several meetings have been conducted during the year, attended by directors and managers and facilitated by the MSOs, aiming at reviewing and improving operating policies of the CBMIFOs to suit the current situation responsive to the market demands. As results, operating policy of matured CBMIFOs has been modified ensuring that competitive advantage to better serving the members, whilst reaching financial viability.

2.1.2 Annual General Meeting

The CBMIFOs held Annual General Meeting (AGM) annually. As of December 2011, there are 388 volunteers, of which 178 are female, are elected by the AGM. Among those, there are 125 BoD members, 47 are female; 65 SC members, 32 are female; 9 Executive members, 4 are female.

There are 189 Credit Committee members, 95 are female, appointed by the BoD. The appointment of the CC members may depend on the scope of the operation of each CBMIFO.



The CBMIFOs have created job opportunity for youth to translate their knowledge into practice in supporting sustainable growth of the CBMIFO's movement. Particularly, 267 employees, of whom 156 are female, have been employed by the CBMIFOs to manage day-to-day operation.

2.1.3 Planning

One day workshop has been held by each CBMIFO, participated by all BoD, Supervisory committee, Credit Committee, and employees of the CBMIFOs, facilitated by CCSF Member Service Officers. The objectives of the workshop are to review annual outcomes against their annual operating plan, introduce monitoring tools, PEARLS, to analyze their financial position, and develop annual operating plan and budget plan for the next financial year. The BoD, Committee members, and the employees of the CBMIFOs meet every month to review the progress against their action plan and to address issues that may arise.

The aim of the workshop is also to reinforce reaching its goals and simultaneously to identify potential strategies to address weakness areas in order to gain competitive advantage of better serving the members in the coming years. Thus, strength and challenges of the CBMIFOs had been discussed, areas where need to improve were identified, and strategies are set to address the challenges.

2.1.4 Monitoring and internal audit

Regular on-site and off site monitoring the CBMIFOs have been conducted by CCSF Member Service Officers (MSOs) ensuring that the operation is in compliance with the internal policy and procedures set-forth and approved by the BoD of the CBMIFOs. It also ensures that transparency within the system is in place. Further, internal audit of all CBMIFOs has been conducted twice per year by CCSF internal auditor team.

2.2 Federation level

2.2.1 Building CCSF staff competencies:

Continue to advance staff capacity is one of CCSF strategies of building sound and safe CBMIFOs and CCSF itself. In the year of 2011, there are several training courses provided to staff members.

Three courses of In-house training have been provided to CCSF staff:

- 1) Technical assistance & training on HR performance management conducted by Mr. Hans Verbeeten, HR consultant. The project had been financially support by Rabobank Foundation. As of results of the TA, staff performance management has been restructured by modifying job description with specific KPIs, and developing policy and guidelines for staff annual performance appraisal.
- 2) Training on performance management provided to 26 direct supervisors.
- 3) Training on internal audit provided to five staff, facilitated by Mr. Marcel van Dijk, Audit consultant. This project had also been financially support by Rabobank Foundation. As of result of the training, new internal audit procedures have been tested and adjusted.



Senior staff members had been sent to five in-country training courses organized by CMA. The courses include: facilitation skill, budget plan, effective internal audit & control, client protection principles, and CMA strategic planning workshop.

Two Senior Management Team members and 5 senior staff, of which 2 participants were financially supported by Rabobank Foundation, attended pre-workshop and forum held in Malaysia, organized by ACCU, Asian Confederation of Credit Unions.

The CEO attended CEO workshop and 40th anniversary of ACCU in Bangkok.

Aside attending classroom courses, a cross visit has been conducted for 7 new Member Service Officers to visit Ek Phnom CBMIFO, one of matured CBMIFOs. The aim of the visit is to gain more experiences on how to maintain the CBMIFOs in a sustainable growth manner.

2.2.2 AGM & Planning

9th Annual General Meeting has been conducted in June 2011, participated by 36 delegates from 29 regular members. One BoD member has been elected by the AGM.

With technical support of Mr. Jan Hein Aders, senior banking consultant from Rabobank Foundation, CCSF five-year business plan has been developed.

Two day workshop has been conducted to review outputs against the annual operational plan, and develop next year plan. In addition to the planning session, one day refresh training on financial literacy has been conducted, which participated by Branch Managers, deputies, all field staff and support staff, 47 staff, 21 are female.

2.2.3 Monitoring & Internal Control

Off-site monitoring the branch and the CBMIFO's operation is done monthly by Manager of Operation Department.

Review of internal control system of the head office, branches and business centers is conducted twice per year.



CCSF has worked in collaboration Credit Mutual Kampuchea (CMK) on drafting financial cooperative regulation, while it is absence in the country. The first draft has been submitted to the NBC.



CCSF staff during Annual planning workshop 2011

3. PERFORMANCE OUTPUTS

3.1 Geographical coverage:

During this reporting period, the program has been implemented in 516 villages, 87 communes within 14 districts of the two provinces.

District name in Battambang

- 1) Sangke
- 2) Battambang
- 3) Banan,
- 4) Ek Phnom
- 5) Thmorkol,
- 6) Bavel,
- 7) Mong, and
- 8) Kamreang

District name in Banteay Meanchey

- 1) Mongkol Borei,
- 2) Preh Netpreh,
- 3) Serey Sophorn,
- 4) Ochreuv,
- 5) Phnom Srok, and
- 6) Svay Chek

Number of village and communes:

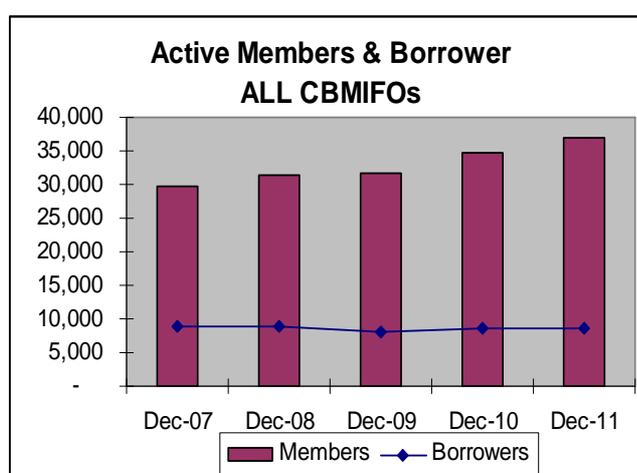
- 60 communes,
- 358 villages

Number of village and communes:

- 27 communes,
- 158 villages

3.2. Outreach:

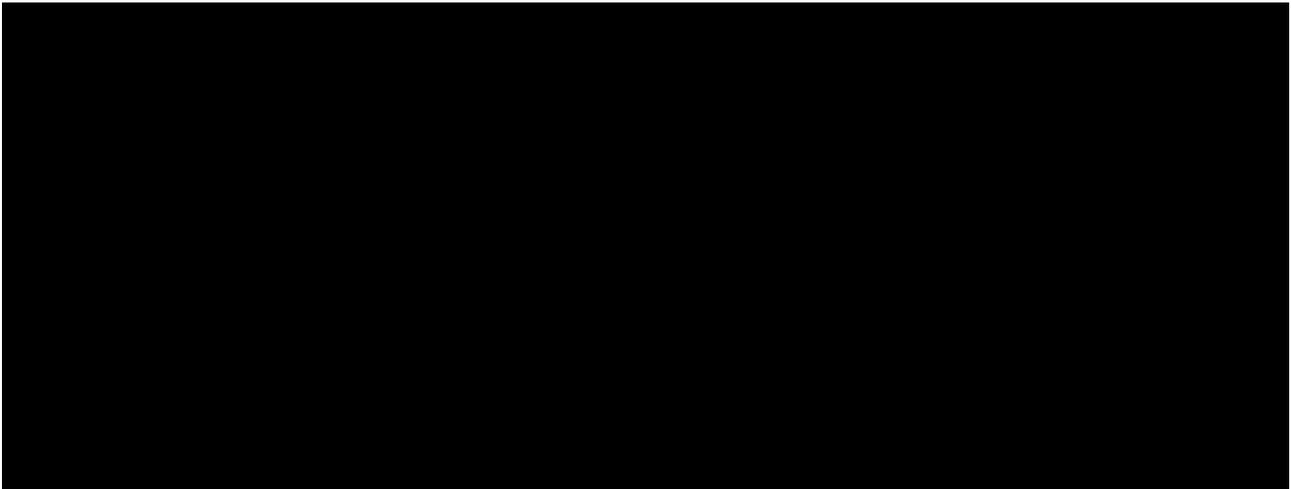
As at 31 December 2011, there are 29 active CBMIFOs with 37,019 individual active saver members, of which 66% are female. The number of CBMIFO is declined from 32 last year to 29 this year due to merging. However, it does not affect the number of the CBMIFO's members, in fact, it is increased by 6.2%. There are 8,563 active borrowers, of which 72% are female. The number of borrower is decreased by 0.8%.



3.3. Portfolio of CBMIFO's movement:

CCSF is a leading organization in Cambodia in encouraging the CBMIFOs to promote and mobilize member's savings. The program has been designed in the way to encourage the poor in the remote rural areas to build savings and thrift habit, aiming at building their liquidity asset to improve their family livelihood and responsive to their emergency needs.

Aside from member saving mobilization, the CBMIFOs provide different types of loans products to their members for the purposes of income generation, consumption, and emergency activities. Table below illustrates key operational performance indicators of the CBMIFO movement in 5 consecutive years at a glance.



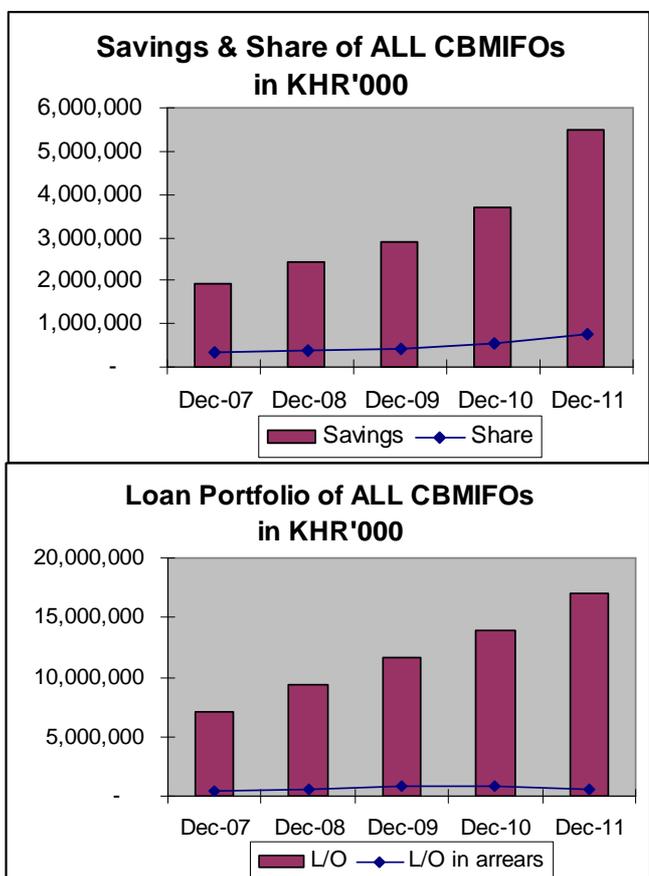
* Figure in KHR'000.

As illustrated in the table above, the CBMIFO's movement grows substantially, in term of members, savings, and loan.

Annual growth of member's saving is 48.8%, and loan is 23.2%, although there is a slight ratio of 0.8% decrease in number of borrower. The borrower to saver ratio is 23%. Member's share is grown at 38%.

Average savings per member up to date is 149,000 KHR, which is grown at 40.5%, and the average loan per member is 1.9 million KHR, which is grown at 24.2% compared with last year results.

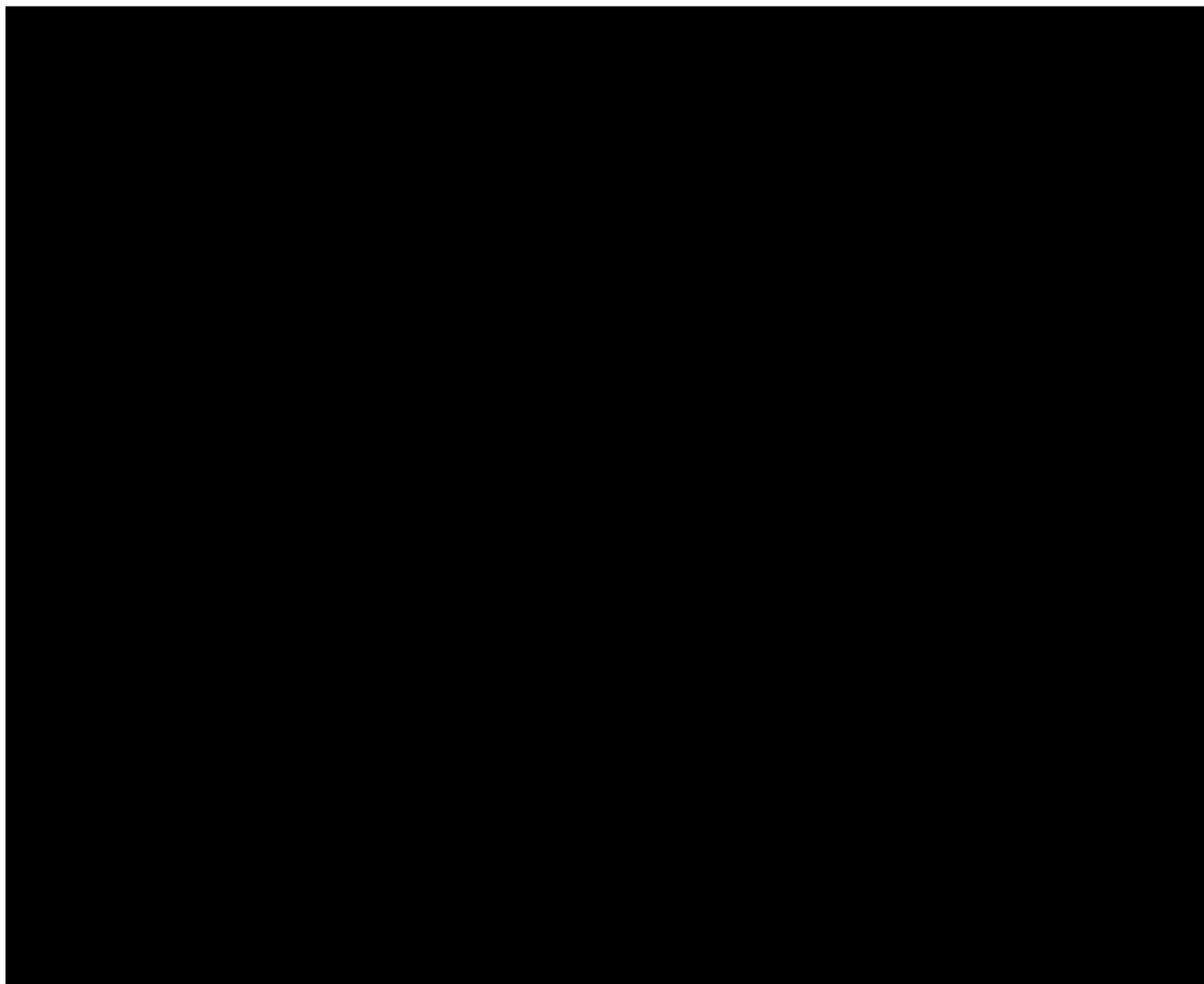
Portfolio at risk ratio is 3%. It decreases by 2.9% compared with last year PAR ratio, which was 5.9%. Lots of effort has been invested in improving loan quality, such as, carefully screened potential borrower members, and negotiate repayment with borrowers within their repayment capacity.



The above outcomes demonstrate strong commitment and effort of the Board of Directors and dedicated management staff of the CBMIFOs.

3.4 Portfolio of the Federation (CCSF):

Besides providing technical assistance to the member organizations, CCSF is also a whole sale organization, providing financial services to the members through promoting savings and thrift habits and providing loans for retails sale. Table below illustrates key operational and financial performance indicators of CCSF in 5 consecutive years at a glance.



** Figure in KHR'000.*

Group loan is CCSF main target group. A large proportion loan outstanding, 91.7%, is lent to the CBMIFOs, of which 88.6% for productive loans, and 3.1% for institutional loans. The remaining small proportion, 8.3% of loan outstanding, is lent to individual borrowers for productive, consumption, and emergency purposes. The overall portfolio at risk is 0.46%, lower than the year 2010, which was 1.27%. Compared to statistic in 2010, member's saving grows at 43.4%, and loan grows at 23.4%.

Along with technical assistance and financial services provided to member organizations, CCSF also offers another non-financial product, Loan Protection & Life Saving (LPLS) service. The LPLS aims at supporting the deceased family members to continue

4. AUDIT REPORT



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Cambodian Community Savings Federation

STATEMENT BY MANAGEMENT

We, the management of Cambodian Community Savings Federation (“CCSF”), do hereby state that in our opinion:

- i) The results of the operations of CCSF for the year ended 31 December 2011 have not been materially affected by any item, transaction and event of any material and unusual nature nor has any such item, transaction and event occurred in the interval between the end of the financial year and the date of this report other than as disclosed in the financial statements, and
- ii) The accompanying financial statements of CCSF have been drawn up so as to give a true and fair view of the state of affairs of CCSF as at 31 December 2011 and of the results of its operations and cash flows for the year ended on that date, in accordance with the accounting policies set out in the notes to the financial statements.

On behalf of the Management



Ms. Phal Pisey
Chief Executive Officer
03 August 2012

Ms. Nget Ny
Account/Admin Manager
03 August 2012

REPORT OF INDEPENDENT AUDITORS TO THE MANAGEMENT OF CAMBODIAN COMMUNITY SAVINGS FEDERATION

We have audited the accompanying financial statements of Cambodian Community Savings Federation (“CCSF” or “the Organisation”) which comprise the balance sheet as at 31 December 2011, and the related statements of income, changes in fund balance and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management’s responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting policies set out in the notes to the financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors’ responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Cambodian International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Organisation’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organisation’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(Continued)

**REPORT OF INDEPENDENT AUDITORS TO THE MANAGEMENT OF
CAMBODIAN COMMUNITY SAVINGS FEDERATION**

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the state of affairs of the Organisation as at 31 December 2011 and of its results of operations and cash flows for the year then ended, in accordance with the accounting policies set out in the notes to the financial statements.

Emphasis of matter

Without qualifying our opinion, we draw attention to note 10 to the financial statements which indicates that the Organisation is providing loan protection and life savings to its borrowers. It is unclear whether this particular product is within the scope of activities of the Organisation.

The accompanying financial statements are prepared for jurisdiction of Cambodia. It is not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in other countries and jurisdictions other than Cambodia.

Morison Kak & Associés
Certified Public Accountants
Registered Auditors



Saksom Meas
Managing Partner



Date: 03 August 2012

CAMBODIAN COMMUNITY SAVINGS FEDERATION

BALANCE SHEET AS AT 31 DECEMBER 2011

	Notes	2011		2010
		KHR'000	USD	KHR'000
ASSETS				
Cash in hand	4	57,421	14,217	56,366
Balances with banks inside Cambodia	5	1,489,041	368,666	1,554,509
Loans and advances to customers	6	13,867,016	3,433,280	11,200,206
Property and equipment	7	45,866	11,356	34,432
Deferred tax assets	12	23,124	5,724	22,000
Other assets	8	114,684	28,394	135,701
TOTAL ASSETS		15,597,152	3,861,637	13,003,214
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Deposits of borrowers/members	9	3,423,031	847,495	2,387,585
Loan protection and life savings	10	1,570,016	388,714	1,180,091
Amounts due to saving bank members	11	131,464	32,549	109,917
Provision for income tax	12	165,648	41,012	149,381
Other liabilities	13	762,172	188,703	572,819
TOTAL LIABILITIES		6,052,331	1,498,473	4,399,793
LONG TERM BORROWINGS	14	3,745,979	927,452	3,301,559
FUND BALANCE				
Opening balance		86,720	21,471	86,720
Project seed capital	15	949,821	235,162	949,821
Net profit for the year		496,980	123,045	823,047
Accumulated earnings from prior years		4,265,321	1,056,034	3,442,274
TOTAL FUND BALANCE		5,798,842	1,435,712	5,301,862
TOTAL LIABILITIES & FUND BALANCE		15,597,152	3,861,637	13,003,214

Signed and authorised for release on behalf of the Management



Ms. Phal Pisey

Chief Executive Officer
Date: 03 August 2012

Ms. Nget Ny

Account/Admin Manager
Date: 03 August 2012*The accompanying notes form an integral part of these financial statements.*

STATEMENT OF INCOME FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011		2010
		KHR'000	USD	KHR'000
Interest income	16	2,943,906	728,870	2,547,214
Interest expense	17	(430,570)	(106,603)	(349,472)
Net interest income		2,513,336	622,267	2,197,742
Non-interest income	18	171,730	42,518	456,264
Payroll and other staff costs	19	(1,127,824)	(279,233)	(1,009,001)
Depreciation expense		(33,641)	(8,329)	(27,462)
Other operating expenses	20	(820,685)	(203,190)	(637,235)
Operating profit before provision for impairment		702,916	174,033	980,308
Provision for impairment losses		(16,052)	(3,974)	(7,023)
Profit before income tax		686,864	170,059	973,285
Income tax expense	21	(189,884)	(47,014)	(150,238)
Net profit after income tax		496,980	123,045	823,047

Signed and authorised for release on behalf of the Management



Ms. Phal Pisey
 Chief Executive Officer
 Date: 03 August 2012

Ms. Nget Ny
 Account/Admin Manager
 Date: 03 August 2012

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