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Korea's KB Kookmin Bank says completes acquisition of Prasac

May Kunmakara | Publication date 21 October 2021 | 21:34 ICT[Share](#)

Prasac Microfinance Institution Plc (Prasac) is the Kingdom's largest microfinance deposit-taking institution (MDI) in term of total assets. SUPPLIED

South Korea's KB Kookmin Bank, New York-listed KB Financial Group Inc's (KB) commercial banking unit, on October 20 announced the completion of the acquisition the remaining 30 per cent interest in Prasac, Cambodia's largest microfinance institution, as it expands its business into the Kingdom's financial industry.

In August, KB said it had paid \$322 million for the remaining 30 per cent stake (90 million shares) after it acquired a 70 per cent stake for \$603.4 million from Sri Lankan-based non-banking lender LOLC Holdings in April last year.

"We plan to expand Prasac Microfinances' portfolio for transition into a commercial bank and plan to add KB Kookmin's strengths in the process," a KB Kookmin official said, as quoted by the Korea Herald.

"Prasac Microfinance will eventually become KB Kookmin's core hub in fostering ASEAN businesses"

In a filing to the US Securities and Exchange Commission in August, KB said it owned 299,999,999 shares, representing 99.99 per cent of Prasac's total number of shares issued.

One share, among the 90 million, was to be held by Kookmin Bank Cambodia Plc, the subsidiary in the Kingdom of KB Kookmin Bank.

Prasac received approval from the National Bank of Cambodia on January 29, 2020 to sell the 70 per cent stake to KB.

Prasac president and CEO Sim Senacheert previously said KB's investment in Prasac reflects a surge in confidence among foreign investors in Cambodia and the microfinance deposit taking institution (MDI).

"Prasac management and staff would like to warmly welcome our new shareholder, KB Kookmin Bank, to drive Prasac to become more effective and efficient in the expansion of financial inclusion in Cambodia," said Senacheert.

He said Prasac stands as a market leader with the largest operational network among MDIs, strong financial returns, and a proven record of sustainable growth in its loan portfolio and deposit balances.

Prasac recently reported that it attained \$68.47 million in net profit in the January-June period, compared to \$37.37 million in the corresponding period last year.

In mid-June, Prasac said it had increased its registered share capital to \$300 million from \$230 million to achieve a sound financial position to gain the public's confidence.

On May 5 last year, Prasac listed a corporate bond on the Cambodia Securities Exchange, allocating 1,272,000 shares in the public offering, with a total issue amount of 127.2 billion riel (\$31 million).

As of June 30, Prasac's total assets, gross loan portfolio, deposit balance and shareholder's equity amounted to \$3.83 billion (up 14.23 per cent year-on-year), \$3.35 billion, \$2.32 billion and \$587 million, respectively.

Contact author: May Kunmakara

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The Kingdom's first local commercial bank, Foreign Trade Bank of Cambodia (FTB) – in collaboration with MSNH Investment Co Ltd – is embarking on a \$112 million headquarters near the Peace Palace in the capital's Prampi Makara district. The groundbreaking ceremony for the 28-storey FTB Tower was



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Cambodia and China are looking into the logistics of creating a connection between the Bassac River and the sea in Kep province to provide a viable alternative for waterway passenger and freight traffic to enter the Kingdom without passing through Vietnam, according



Mask-wearing optional nationwide as daily infections hit record low

Prime Minister Hun Sen has lifted the government-instituted mask-wearing mandate, leaving it to people across the country to decide for themselves. Mask-wearing requirements, however, still apply to enclosed settings such as air-conditioned offices, meeting rooms or movie theatres. The premier made the announcement, effectively immediately,



Siem Reap man gravely injured after falling into crocodile pool

A man who was attacked by crocodiles is receiving emergency treatment at Calmette Hospital in Phnom Penh on April 19 after being bitten by five of the nearly 50 crocodiles in his care. The victim was walking on a bridge and he slipped and fell into the



Post Media Co Ltd
The Elements Condominium, Level 7
Hun Sen Boulevard
Phum Tuol Roka III
Sangkat Chak Angre Krom, Khan
Meanchey
12353 Phnom Penh
Cambodia

Tel: +855(0) 23 888 161 / 162
Fax: +855(0) 23 214 318
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