



គ្រឹះស្ថានមីក្រូហិរញ្ញវត្ថុ ធីប៊ីប៊ី (ខេមបូឌា) ភីអិលស៊ី
臺灣企銀微型財務公司
TBB (CAMBODIA) MICROFINANCE INSTITUTION PLC.

Annual Report

2021

TBBMFI Help Your Life Convenient!

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Background, Vision and Mission

Background

TBB (CAMBODIA) MICROFINANCE INSTITUTION PLC. (Hereinafter referred to as TBBMFI) is a public limited company and a subsidiary of TAIWAN BUSINESS BANK which is a specialized bank in Taiwan charged with providing financial assistance and guidance to SMEs and has developed the field of SME financial services for more than 40 years.

TBBMFI is licensed by the National Bank of Cambodia as a MFI in June 2015 to provide funding to commercial or individual purposes of Cambodian people as well as customers from Taiwan and support the monetary and economic environment of Cambodia.

Vision

To be the most people-centric company in Cambodia and build up a place where customers can seek and utilize the products with facility.

Mission

TBBMFI seeks to be one of the providers of ethical credit products in Cambodia and develops new products as appropriate to support Cambodian people to grow up the economic scale. In doing so, TBBMFI will observe the highest principles of morality and best international banking practice to conduct its business in line with the laws and regulations of the Kingdom of Cambodia.



Message from Acting Chairman and CEO



In the past two years, the world's economy has been fluctuated a lot, almost one crisis came after another.

After the global outbreak of COVID-19 pandemic, different coronavirus variants continued to rage the world. The pandemic wreaked havoc on people's daily lives and economic activities, causing more unemployment and increasing poverty and inequality.

As the world struggles to combat pandemic, Russia's invasion of Ukraine has broken out. The war has devastated the Ukrainian economy, and its impact has gradually spread around the world. The impact on vulnerable population around the world is disproportionate, with hundreds of millions of poor households already struggling with the Covid-19. Rising energy and food prices due to pandemic, the war in Ukraine dampen consumer confidence and lower incomes, increasing poverty.

According to the World Bank's report, "The war has added to mounting concerns of a sharp global slowdown, surging inflation and debt, and a spike in poverty levels. The economic impact has reverberated through multiple channels, including commodity and financial markets, trade and migration links and adverse impact on confidence."

Inflation has now become the world's newest crisis disrupting economic recovery. Central banks in many countries determined to suppress inflation by raising interest rates, which risks pushing nations into recession.

After the outbreak of pandemic in 2019, the Cambodian government adopted strict pandemic prevention measures such as closing the border, resulting in an unprecedented impact on the economy in 2020. However, thanks to successful vaccine campaign, about 83 percent of the population have received two doses of COVID vaccines, the country has established herd immunity. Economy growth rate was estimated to reached 3% in 2021. Prime Minister Hun Sen said that the government is implementing strategies to revitalize the economy this year. As a result, the economic growth rate is expected to reach higher than 5%.

In the past two years, Cambodia has suffered by the pandemic and the Russian-Ukrainian war, which has led to a slowdown in economic development. Factors such as inflation and increased financing costs would affect the strength of economic recovery. Various financial institutions have cooperated with the government to help Cambodian residents overcome economic difficulties, resulting in sudden increase of operating pressure. However, we will still do our best to help customers overcome



difficulties under compliance and appropriate risk management. Accordingly, they can create a better future and contribute to Cambodia's economic development.

Since our company's establishment six years ago, we gradually implemented corporate governance, legal compliance and various risk management. Strengthened training on local talents, while encouraging employees to learn in a variety of ways. Improved working environment and employee benefits to retained good talents. Also, we will conduct system upgrades to improve our service level, so that TBBMFI can continue to grow in the future.

In the future, we will strengthen financial inclusion and the implementation of Environment, Social and Governance (ESG): increase scales of SME financing, consumer financing and Riel lending by exploring potential demands. In addition, for enterprises that implementing ESG, we will provide preferential interest rate loans and fulfill our social responsibilities to develop the economy together with the Cambodian people.



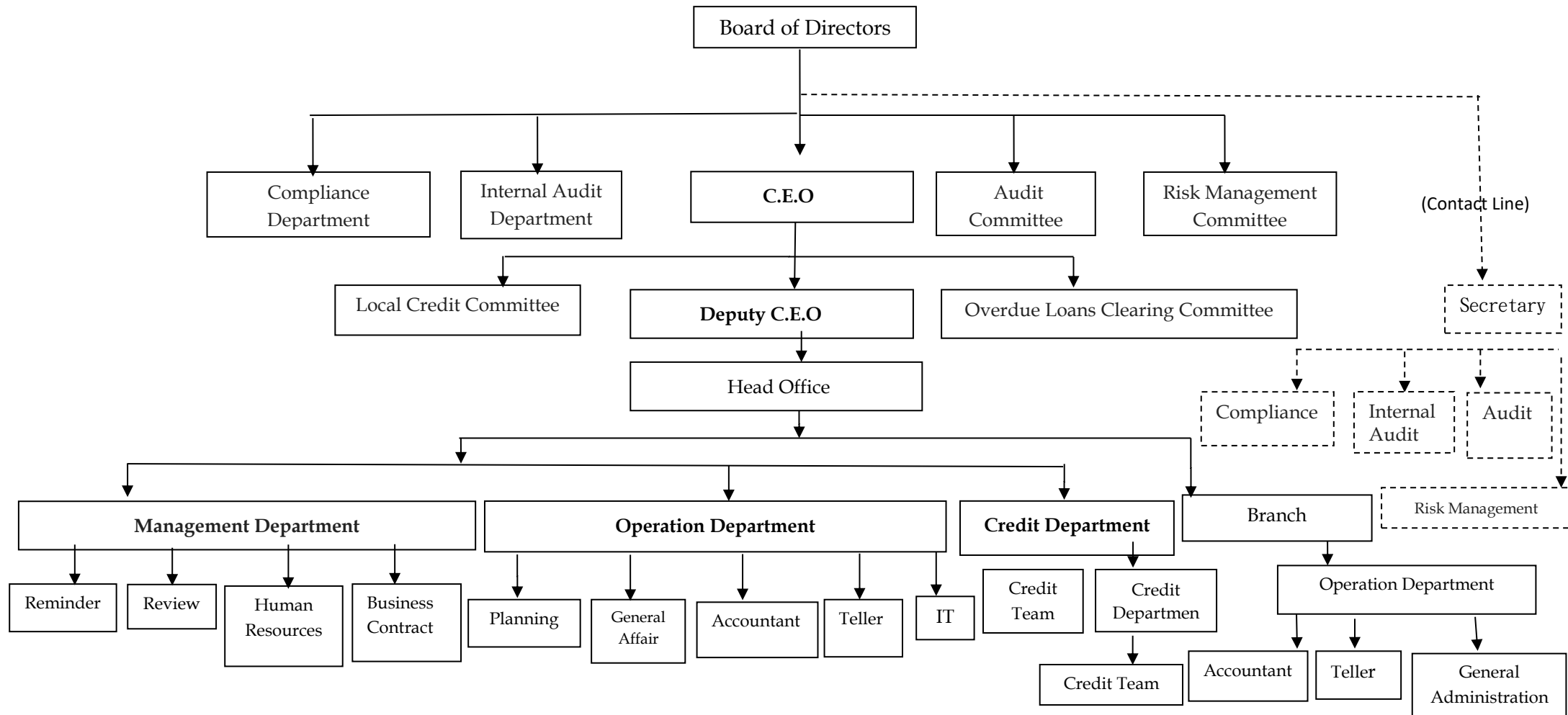
Chiang Hung Tien

Acting Chairman and CEO

Phnom Penh, 8 June, 2022



Organizational Chart of TBB (Cambodia) Microfinance Institution Plc (TBBMFI)



Shareholders and Board of Directors

TAIWAN BUSINESS BANK Ltd. has solely assumed the total capital contribution of USD 20,000,000 (United States Dollars Twenty Million, equivalent to Riel 80,000,000,000) which is divided into 20,000 (Twenty Thousand) ordinary shares, each share with a par value of USD 1,000 (United States Dollars One Thousand, equivalent to Riel 4,000,000).



Shareholders and Board of Directors

TBBMFI's Board of Directors (BOD) comprises 4 members as namely:

- Chiang Hung Tien Acting Chairman and CEO
- Chiu Sung Sui Board Member
- Yi Tseng Hsiang Board Member
- Hsu Tien Liang Board Member (Independent Director)



Chiang Hung Tien
Acting Chairman and CEO



Chiu Sung Sui
Director



Yi Tseng Hsiang
Director



Hsu Tien Liang
Independent Director



Directors and Management Team

Board of Directors

Title	Name	Effective Date	Prime Experience & Education
Acting Chairman	Chiang Hung Tien	31 Mar. 2022	<ul style="list-style-type: none"> Business Administration, National Chung Hsing University VP & Chief Representative, Yangon Representative Office
Director	Chiu Sung Sui	26 Nov. 2020	<ul style="list-style-type: none"> Economics, National Taiwan University Executive Vice President of Taiwan Business Bank
Director	Yi Tseng Hsiang	30 May 2022	<ul style="list-style-type: none"> Master of Finance, National Taiwan University of Science and Technology Executive Vice President of Taiwan Business Bank
Independent Director	Hsu Tien-Liang	1 May 2017	<ul style="list-style-type: none"> BA, Tamkang University CEO of Taiwan Business Bank Insurance Agent Company

Management Team

Title	Name	Effective Date	Prime Experience & Education
CEO	Chiang Hung Tien	28 Oct. 2021	<ul style="list-style-type: none"> Business Administration, National Chung Hsing University VP & Chief Representative, Yangon Representative Office
Manager of Management Dept.	Chen Hsin Kuang	1 Dec. 2019	<ul style="list-style-type: none"> Accounting, National Taipei University Executive Officer of Taiwan Business Bank Credit Investigation Dept.
Manager of Credit Dept.	Yeh Li Kun	6 Sep. 2021	<ul style="list-style-type: none"> Business Administration, Fu Jen University Assistant Manager of Taiwan Business Bank Ta Shi Branch
Branch Manager	Lin Chun-Ching	21 Apr. 2020	<ul style="list-style-type: none"> Master, Lunghwa University of Science and Technology Assistant Manager of Taiwan Business Bank Chu Shan Branch



Products and Services

Commercial Loan (CL)

TBBMFI provides a Commercial Loan product to meet the demand and the interest of clients who wish to increase their income.

Personal Loan (PL)

TBBMFI provides a Personal Loan product to satisfy customers' personal needs such as home improvement, consumption goods, housework facilities; transport means (Motorbike, automobile...)

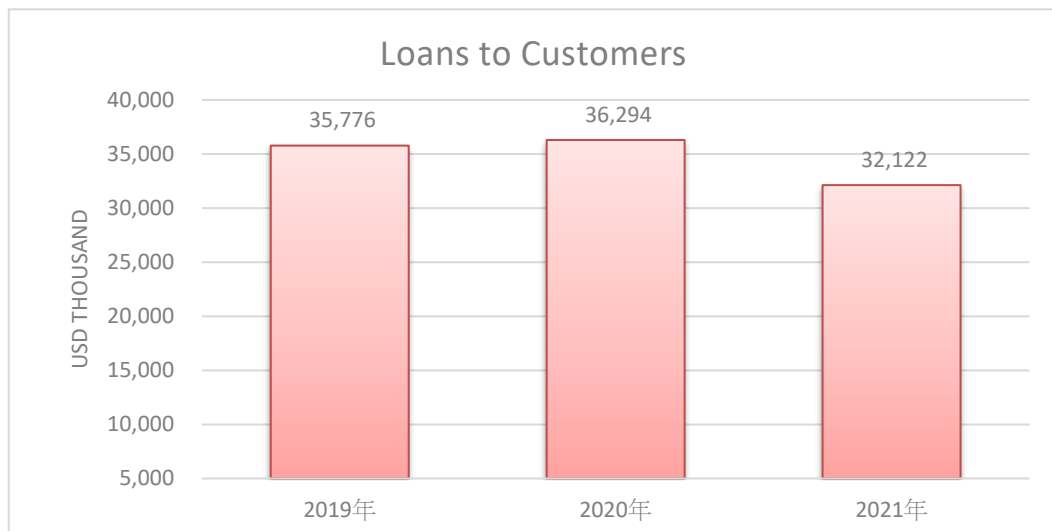
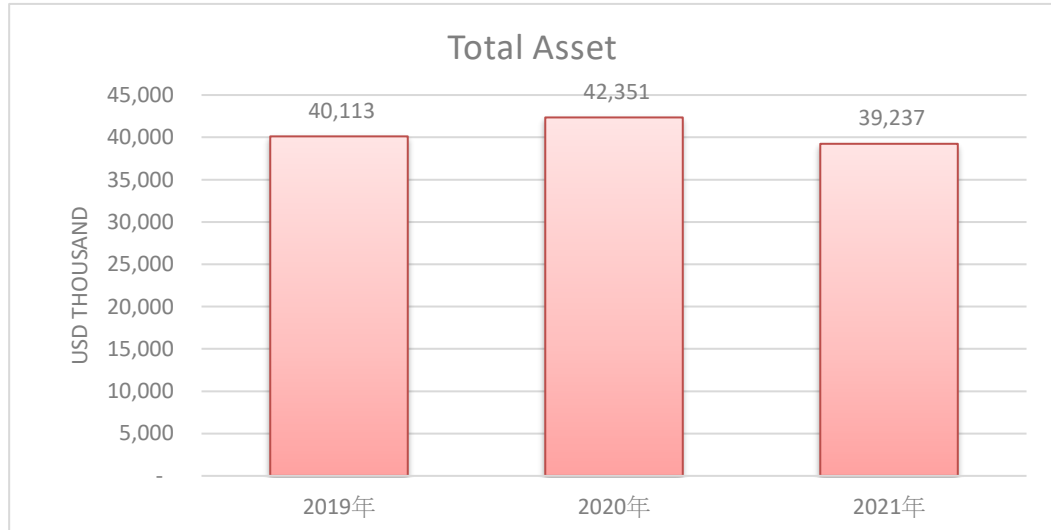
Mortgage Loan (ML)

TBBMFI provides a Mortgage Loan product to satisfy customers' needs to buy real estate property such as land, house.



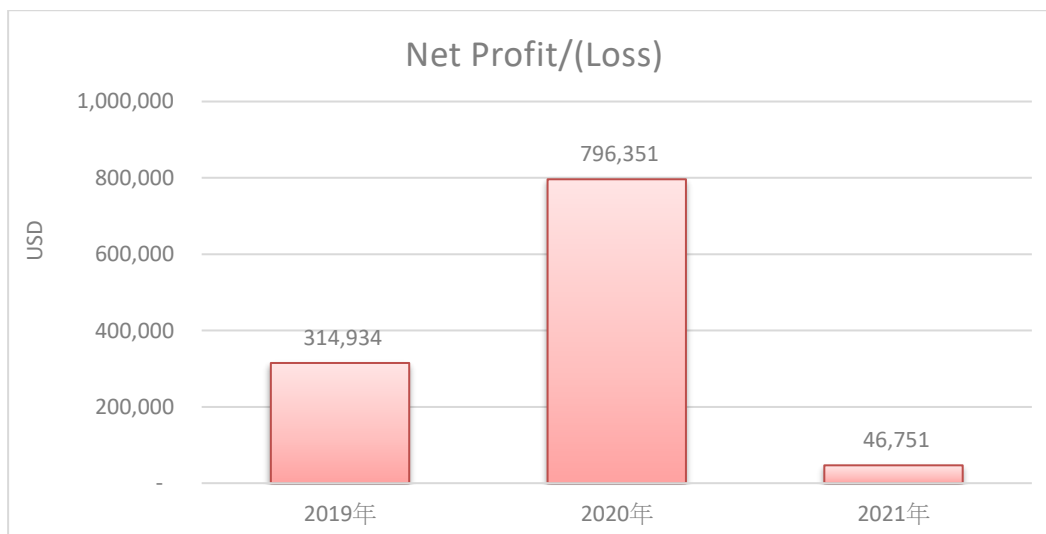
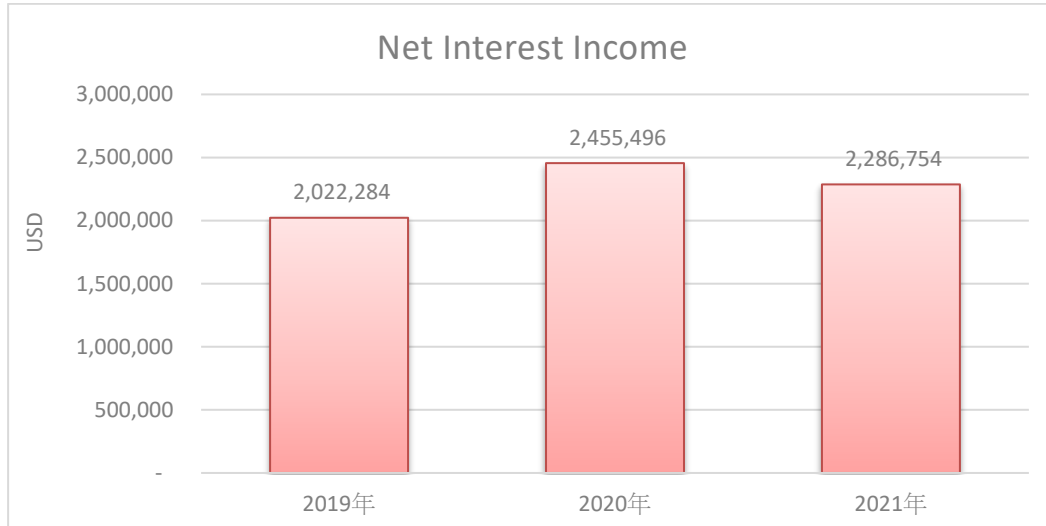


Financial Highlight





Financial Highlight



Loan Performance

To achieve the mission and vision, TBBMFI tries to provide loan to all kinds of customers and sectors to use for their own business. TBBMFI sets its own target customers by focusing on those with low and medium standards of living as well as small and medium business who wish to extend their business activities. Loan disbursement of year 2021 decreased due to COVID-19 transmission. In 2020, the loan disbursement was USD12,196,800 / KHR 6,251,840,000 and USD9,265,000 / KHR 9,877,950,000 in 2021. Regarding gross loan outstanding at the end of 2020, it was USD32,211,750 / KHR16,105,507,800 and dropped to USD27,308,235 / KHR18,648,884,100 at the end of 2021.

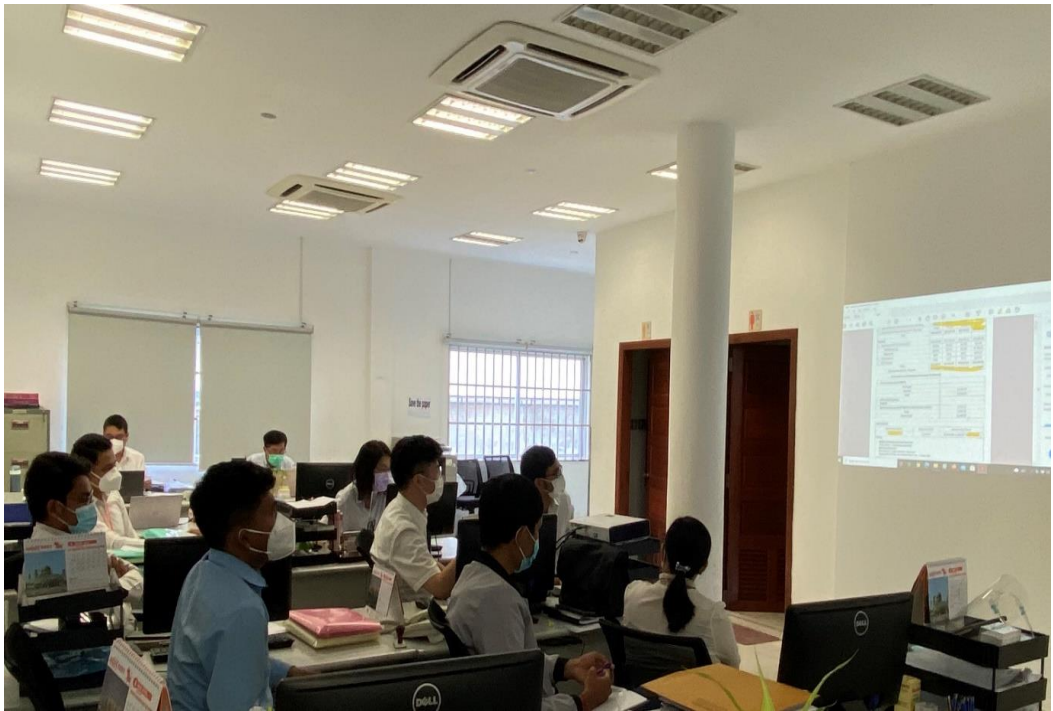


Company Activities

Charity Activity



Internal Training

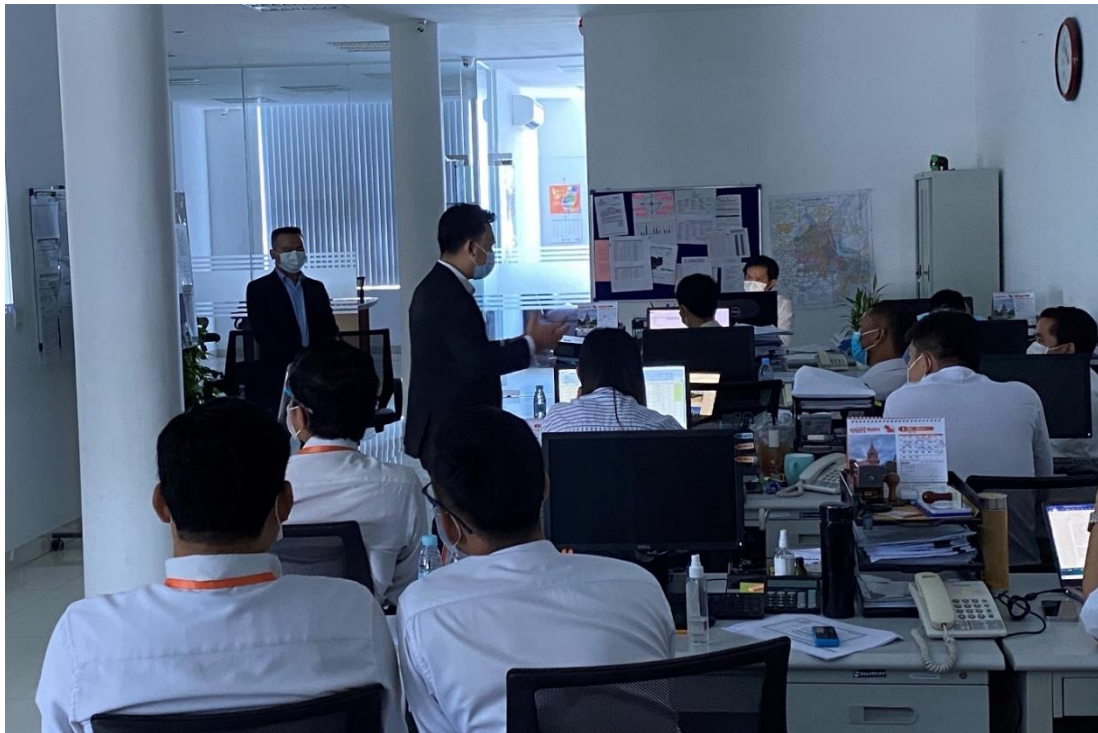


Internal Training



Company Activities

Professional training & Case studying



Annual Party



Monthly Birthday Party



Corporate Social Responsibility

Donation activity at Cambodia Social Welfare Organisation





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臺灣企銀微型財務公司

TBB (CAMBODIA) MICROFINANCE INSTITUTION PLC

Financial Report and Report of the Independent Auditor



REPORT OF THE BOARD OF DIRECTORS

The Board of Directors submits its report together with the audited financial statements of TBB (Cambodia) Microfinance Institution Plc. ("the Company") as at 31 December 2021 and for the year then ended.

The Company

TBB (Cambodia) Microfinance Institution Plc. is a public limited company incorporated in the Kingdom of Cambodia under the Registration No. Co. 1506 E/2015 dated 28 April 2015 issued by the Ministry of Commerce ("MOC"). On 12 June 2015, the Company obtained its licence from the National Bank of Cambodia. The Company re-registered with the MOC on 13 December 2017 to operate as a microfinance institution, under the Registration No. 00029793.

The Company is a wholly owned subsidiary of Taiwan Business Bank Ltd., a public company listed on the Taiwan Stock Exchange.

The registered office of the Company is located at No. 2E2F, Street 315, Sangkat Boeung Kak 1, Khan Toul Kork, Phnom Penh, Kingdom of Cambodia.

As at 31 December 2021, the Company had 33 employees (2020: 32 employees).

Principal activities

The principal activities of the Company are to provide loans and other financial services to local customers through its head office and branch in Phnom Penh.

There have been no significant changes in the nature of these principal activities during the year.

Results and dividends

The results of the Company's operations for the year ended 31 December 2021, and the state of its affairs as at that date are set out in the accompanying financial statements.

The Board of Directors does not recommend the payment of dividends for the year ended 31 December 2021.

Board of Directors

The members of the Board of Directors of the Company during the year and to the date of this report are as follows:

Name	Position	Appointed on	Resigned on
Mr. Chiang Hung Tien	Director	26 August 2021	
Mr. Chang Yu Min	Chairman	2 March 2020	28 February 2022
Mr. Chiu Sung-Shui	Director	26 November 2020	-
Mr. Huang Jung Pin	Director	25 January 2019	25 August 2021
Mr. Tien Liang Hsu	Independent Director	1 May 2017	-



Management team

The management team of the Company during the year and to the date of this report are as follows:

Name	Position	Appointed	Resigned on
Mr. Chiang Hung Tien	Acting chairman	31 March 2022	-
Mr. Chiang Hung Tien	Chief Executive Officer/	28 October 2021	-
Mr. Huang Jung Pin	Chief Executive Officer	25 January 2019	27 October 2021
Mr. Tseng Hsi-Bing	Deputy Chief Executive Officer	1 April 2019	5 September 2021
Mr. Chen Hsin Kuang	Deputy Chief Executive Officer	6 September 2021	-
Mr. Chen Hsin Kuang	Manager of Management Dept.	1 December 2019	-
Mr. Lin Chun-Ching	Branch Manager	21 April 2020	-

Directors' interests in the Company

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

Directors' benefits

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

During the year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments receivable by the directors as disclosed in note 23 of the notes to the financial statements) by reason of a contract made by the Company or a related corporation with a firm of which the director is a member, or with a company in which the Director has a substantial financial interest other than as disclosed in the financial statements.

Auditors

The Company's financial statements as at 31 December 2021 and for the year then ended were audited by Grant Thornton (Cambodia) Limited.

Board of Directors' responsibility in respect of the financial statements

The Board of Directors is responsible for ensuring that the financial statements are properly drawn up so as to present fairly, in all material respects, the financial position of the Company as at 31 December 2021 and its financial performance and its cash flows for the year then ended. In preparing these financial statements, the Board of Directors is required to:

- i. adopt appropriate accounting policies in accordance with Cambodian International Financial Reporting Standard for Small and Medium-sized Entities ("CIFRS for SMEs") and guidelines of the National Bank of Cambodia, which are supported by reasonable and prudent judgements and estimates, and then apply them consistently;
- ii. comply with the disclosure requirements of the CIFRS for SMEs and guidelines of the National Bank of Cambodia or, if there has been any departure from such requirements in



the interest of true and fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the financial statements;

- iii. maintain adequate accounting records and an effective system of internal controls;
- iv. prepare the financial statements on a going-concern basis unless it is inappropriate to assume that the Company will continue its operations in the foreseeable future; and
- v. effectively control and direct the Company in all material decisions affecting its operations and performance, and ensure that such have been properly reflected in the financial statements.

The Board of Directors is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Directors confirms that the Company has complied with the above requirements in preparing the financial statements.

Statement by the Board of Directors

In the opinion of the Board of Directors, the accompanying statements of financial position, comprehensive income, changes in equity and cash flows, together with the notes thereto, have been properly drawn up and present fairly, in all material respects, the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with CIFRS for SMEs and guidelines of the National Bank of Cambodia.

On behalf of the Board of Directors and Management:




Mr. Chiang Hung Tien
Acting Chairman

Phnom Penh, Cambodia
27 April 2022



Independent auditor's report

To the shareholders of TBB (Cambodia) Microfinance Institution Plc

Opinion

We have audited the financial statements of TBB (Cambodia) Microfinance Institution Plc (“the Company”), which comprise the statement of financial position as at 31 December 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the year then ended, in accordance with Cambodian International Financial Reporting Standard for Small and Medium-sized Entities (“CIFRS for SMEs”) and guidelines of the National Bank of Cambodia.

Basis for opinion

We conducted our audit in accordance with Cambodian International Standards on Auditing (“CISAs”). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”) together with the ethical requirements that are relevant to our audit of the financial statements in the Kingdom of Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Report of the Board of Directors but does not include the financial statements and our auditor's report thereon, which we have obtained prior to the date of this auditor's report, and the annual report which is expected to be made available to us after that date.



Our opinion on the financial statements does not cover the other information prepared by the Board of Directors and we do not and will not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Directors and respond to those matters in accordance with the requirements of CISA 720 (revised).

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with CIFRS for SMEs, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one



resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grant Thornton
GRANT THORNTON (CAMBODIA) LIMITED
 Certified Public Accountants
 Registered Auditors




 Ng Yee Zent
 Partner – Audit and assurance

Phnom Penh, Kingdom of Cambodia
 27 April 2022



Statement of financial position

	Note	31 December 2021		31 December 2020	
		USD	KHR'000 (Note 3.2)	USD	KHR'000 (Note 3.2)
Assets					
Cash on hand		3,153	12,845	2,375	9,607
Balances with the National Bank of Cambodia	5	1,018,691	4,150,147	5,179,733	20,952,020
Balances with other banks	6	5,760,343	23,467,637	550,361	2,226,210
Loans to customers - net	8	32,121,543	130,863,166	36,294,014	146,809,287
Other assets	9	290,924	1,185,225	248,708	1,006,024
Property and equipment	10	33,252	135,469	66,066	267,237
Intangible assets	11	8,847	36,043	9,678	39,148
Total assets		39,236,753	159,850,532	42,350,935	171,309,533
Equity and liabilities					
Equity					
Share capital	12	20,000,000	81,480,000	20,000,000	80,900,000
Regulatory reserve	13	1,811,413	7,379,697	2,123,382	8,589,080
Accumulated losses		(1,244,858)	(5,071,551)	(1,603,578)	(6,486,472)
Total equity		20,566,555	83,788,146	20,519,804	83,002,608
Liabilities					
Borrowings	14	18,066,816	73,604,208	21,073,736	85,243,262
Current income tax liabilities	21.3	89,803	365,857	264,886	1,071,464
Other liabilities	15	513,579	2,092,321	492,509	1,992,199
Total liabilities		18,670,198	76,062,386	21,831,131	88,306,925
Total Equity and liabilities		39,236,753	159,850,532	42,350,935	171,309,533



Statement of comprehensive income

	Note	For the year ended 31 December 2021		For the year ended 31 December 2020	
		USD	KHR'000 (Note 3.2)	USD	KHR'000 (Note 3.2)
Interest income	16		10,597,876		
Interest expense	14	2,605,181	(1,295,361)	3,011,233	(2,265,740)
			9,302,515		
Net interest income		2,286,754		2,455,496	10,011,057
Fees and commissions	17	91,724	373,133	144,109	587,534
Other income	18	68,420	278,333	144,900	590,757
Personnel expenses	19	(936,426)	(3,809,381)	(1,004,075)	(4,093,614)
Depreciation and amortisation	10 and 11	(39,942)	(162,484)	(52,490)	(214,002)
General and administrative expenses	20	(727,952)	(2,961,309)	(601,748)	(2,453,327)
Provision for bad and doubtful loans	8	(537,575)	(2,186,855)	-	-
Regulatory provision for balance with other banks	6	(52,607)	(214,005)	(2,341)	(9,544)
Profit before income tax		152,396	619,947	1,083,851	4,418,861
Income tax expense	21.1	(105,645)	(429,764)	(287,500)	(1,172,138)
Net profit for the year		46,751	190,183	796,351	3,246,723
Other comprehensive (loss)/income					
Currency translation difference		-	281	-	7,244
Total comprehensive income for the year		46,751	190,464	796,351	3,253,967



Statement of changes in equity

	Share capital USD	Regulatory Reserve USD	Accumulated losses USD	Total equity USD
Balance at 1 January 2021	20,000,000	2,123,382	(1,603,578)	20,519,804
Net loss for the year	-	-	46,751	46,751
Transfer from regulatory reserve	-	(311,969)	311,969	-
Balance as at 31 December 2021	20,000,000	1,811,413	(1,244,858)	20,566,555
Balance as at 31 December 2021 (in equivalent KHR'000) (Note 3.2)	81,480,000	7,379,697	(5,071,551)	83,788,146
Balance at 1 January 2020	20,000,000	967,426	(2,379,947)	18,587,479
Net profit for the year	-	-	796,351	796,351
Net effect of prior year adjustments	-	-	1,135,974	1,135,974
Transfer to regulatory reserve	-	1,155,956	(1,155,956)	-
Balance as at 31 December 2020	20,000,000	2,123,382	(1,603,578)	20,519,804
Balance as at 31 December 2020 (in equivalent KHR'000) (Note 3.2)	80,900,000	8,589,080	(6,486,472)	83,002,608



Statement of cash flows

		For the year ended 31 December 2021		For the year ended 31 December 2020	
	Note	USD	KHR'000 (Note 3.2)	USD	KHR'000 (Note 3.2)
Operating activities					
Profit before tax		152,396	619,947	1,083,851	4,418,861
Adjustments for:					
Interest expense	14	318,427	1,295,361	555,737	2,265,740
Depreciation and amortisation	10 and 11	39,942	162,484	52,490	214,001
Provision for bad and doubtful loans	8	537,575	2,186,855	-	-
Regulatory provision for balances with other banks	6	52,607	214,005	2,341	9,544
Property and equipment written off	10	-	-	117	477
Operating profit before changes in working capital		1,100,947	4,478,652	1,694,536	6,908,623
Net changes in:					
Loans to customers		3,634,896	14,786,757	618,383	2,521,147
Other assets		(42,216)	(171,735)	191,538	780,900
Other liabilities		21,070	85,713	4,583	18,685
Cash generated from operating activities		4,714,697	19,179,387	2,509,040	10,229,355
Income tax paid	21.3	(280,728)	(1,142,002)	(25,020)	(102,007)
Net cash flows from operating activities		4,433,969	18,037,385	2,484,020	10,127,348
Investing activities					
Purchases of property and equipment	10	(4,337)	(17,643)	(824)	(3,358)
Purchases of Intangible assets	11	(1,960)	(7,973)	(4,285)	(17,470)
Net cash flows used in investing activities		(6,297)	(25,616)	(5,109)	(20,828)
Financing activities					
Proceeds from borrowings	14	-	-	12,000,000	23,312,000
Repayments of borrowings	14	(3,000,000)	(12,204,000)	(12,000,000)	(23,312,000)
Interest paid	14	(325,347)	(1,323,512)	(517,620)	(2,110,337)
Net cash flows used in financing activities		(3,325,347)	(13,527,512)	(517,620)	(2,110,337)
Net change in cash and cash equivalents		1,102,325	4,484,258	1,961,291	7,996,183
Cash and cash equivalents, beginning of year		4,737,828	19,164,514	2,776,537	11,314,388
Currency translation difference		-	144,010	-	(146,057)
Cash and cash equivalents, end of year	7	5,840,153	23,792,782	4,737,828	19,164,514



Notes to the financial statements

1 General information

TBB (Cambodia) Microfinance Institution Plc. (“the Company”) is a public limited company incorporated in the Kingdom of Cambodia under the Registration No. Co. 1506 E/2015 dated 28 April 2015 issued by the Ministry of Commerce (“MOC”). On 12 June 2015, the Company obtained its licence from the National Bank of Cambodia (“NBC”) to operate as a micro finance institution. The Company re-registered with the MOC on 13 December 2017 to operate as a microfinance institution, under the Registration No. 00029793.

The Company is a wholly owned subsidiary of Taiwan Business Bank Ltd., a public company listed on the Taiwan Stock Exchange.

The registered office of the Company is located at No. 2E2F, Street 315, Sangkat Boeung Kak 1, Khan Toul Kork, Phnom Penh, Kingdom of Cambodia.

As at 31 December 2021, the Company had 33 employees (2020: 32 employees).

2 Statement of compliance with CIFRS for SMEs

The financial statements of the Company have been prepared in accordance with Cambodian International Financial Reporting Standard for Small and Medium-sized Entities (“CIFRS for SMEs”), which have been adopted by the Ministry of Economy and Finance, under Prakas No. 068BK MEF dated 8 January 2009, and the National Accounting Council, now the Accounting and Auditing Regulator, under Announcement No. 097/09 MEF dated 28 August 2009.

3 Summary of significant accounting policies

3.1 Basis of preparation

The financial statements of the Company, which are expressed in United States Dollars (“USD”), are prepared under the historical cost of convention and drawn up in accordance with CIFRS for SMEs.

3.2 Functional and presentation currency

The national currency of Cambodia is the Khmer Riel (“KHR”). However, as the Company transacts its business and maintains its accounting records primarily in USD, Management has determined the USD to be the Company’s currency for measurement and presentation purposes as it reflects the economic substance of the underlying events and circumstances of the Company.

Transactions in foreign currencies, other than USD, are translated to USD at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in currencies other than USD at the reporting date are translated into USD at



the rates of exchange ruling at that date. Exchange differences arising on translation are recognised in the other comprehensive income.

The translations of USD amounts into KHR as presented in the financial statements are included solely to comply with the requirement pursuant to the Law on Accounting and Auditing dated 11 April 2016 and have been made using the prescribed official exchange rate based on the following applicable exchange rate per USD1 as announced by the National Bank of Cambodia:

	2021	2020
Average rate*	4,068	4,077
Closing rate	4,074	4,045

*The average amounts were determined using the NBC's daily rates

Such translation amounts are unaudited and should not be construed as representations that the USD amounts represent, or have been or could be, converted into KHR at that or any other rate of exchange.

3.3 Basis of aggregation

The financial statements include the financial statements of the head office and its one branch after the elimination of inter-branch balances and transactions.

3.4 Financial instruments

Financial assets

The Company's financial assets include cash and cash equivalents, loans to customers and other assets. These financial assets are recognised initially at the transaction price. Subsequently, they are measured at amortised cost using the effective interest method, less provisions for impairment.

Where there is objective evidence that the carrying amounts of receivables are not recoverable, an impairment loss is recognised in the statement of comprehensive income.

Financial liabilities

The Company's financial liabilities include borrowings and other liabilities. Financial liabilities are recognised initially at transaction price. After initial recognition, they are measured at amortised cost using the effective interest method. Other liabilities is on normal credit terms and do not bear interest.

3.5 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less when



purchased, and that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

3.6 Loans to customers

Loans to customers are recognized initially at fair value plus any directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Loans are written off to the statement of comprehensive income when the loans are provisioned in full and remain unpaid after maturity date or when the certainty of being uncollectable is proven. Loans written off are taken out of the outstanding loan portfolio and deducted from the allowance for loans to customers.

Recoveries of loans previously written off are recorded as other operating income in the statement of comprehensive income. Reversal of previous allowance is presented in allowance expense in the statement of comprehensive income.

Provision for impairment

Specific impairment

The Company recognises an allowance for loans to customers based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Collective impairment

The Company does not track changes in credit risk, but instead recognises a loss allowance at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience. Collective impairment is computed using the provision rates and a loss given default rates that is based on historical recoveries.

Regulatory provision

Credit classification and provisioning for financial institutions in accordance with Prakas No. 7-017-344, dated 1 December 2017 as issued by the NBC provides guidance on credit classification and regulatory provisioning for financial institution in Cambodia, as summarised below:

Classification	Number of days past due	Provision
Long-term loans (more than one year)		
Standard	0 – 29 days	1%
Special mention	30 – 89 days	3%
Substandard	90 – 179 days	20%
Doubtful	180 – 359 days	50%
Loss	Over 359 days	100%



Short-term loans (less than one year)

Normal	0 – 14 days	1%
Special mention	15 – 30 days	3%
Substandard	31 – 60 days	20%
Doubtful	61 – 90 days	50%
Loss	Over 90 days	100%

Article 73 of Prakas on Credit Risk Grading and Impairment Provisioning requires the Company to compare the provision calculated in accordance with the CIFRS for SMEs and Prakas No 7-017-344 and, accordingly:

1. In case the regulatory provision calculated in accordance with the said Prakas is lower than the impairment calculated in accordance with the CIFRS for SMEs, the Company shall record the provision calculated in accordance with CIFRS for SMEs.
2. In case the regulatory provision calculated in accordance with the said Prakas is higher than the impairment calculated in accordance with the CIFRS for SMEs, the Company shall record the provision calculated in accordance with the CIFRS for SMEs and transfer the difference from retained earnings or accumulated loss account into regulatory reserve in the equity section of the statement or financial position.

In accordance with Circular No. B7.021.2314 on Classification and Provisioning Requirements on Restructured Loans dated 28 December 2021 issued by the NBC, the Company is required to reassess the classification of restructured loans, which are outstanding as at 31 December 2021, and provide provision as follows:

- Restructured loan that is “viable” shall be deemed as “performing” and shall be classified as “Special Mention” with 3% provisioning, regardless of the number of restructuring
- Restructured loan that needs “more restructuring” should be deemed as “non-performing” and shall be classified as “Substandard” for loans under the first restructuring with 20% provisioning, and “Doubtful” for loans under the second restructuring with 50% provisioning.
- Restructured loan that is “non-viable” shall be deemed as “non-performing” and shall be classified as “Loss” with 100% provisioning.

Meanwhile, loans restructured starting 1 January 2022 shall benefit on the forbearance period until end of June 2022, wherein these loans should not be subjected to the above requirement. However, none of the restructured loan applications since March 2020 can benefit from this forbearance period.

Additionally, the banks and finance institutions (“BFIs”) should continually submit its quarterly report on restructured loans’ review, customer repayment capacity, classification, and provisioning based on this new Circular with the following reporting deadline:

- by the end of January 2022, based on the financial data as at 31 December 2021 for the third reporting;



- by the end of April 2022, based on the financial data as at March 2022 for the fourth reporting; and
- by the end of July 2022, based on the financial data as at June 2022 for the fifth reporting.

On 18 January 2022, a workshop between all banks and financial institutions (“BFIs”) under the Association of Banks in Cambodia and NBC was held to assist BFIs in their application of the Circular and to discuss other related practical issues. In this workshop, NBC granted BFIs to perform reassessment of loan classification and determining the resulting impact in provisions on outstanding restructured loans as at 31 December 2021, starting January 2022.

Following this workshop, the NBC informed BFIs through letter No. B7.022.167 dated 20 January 2022, the deferment of quarterly report submission to 10 February 2022, the change in financial data to be used to January 2022 and the clarification on the template of the report.

3.7 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses. Cost include all costs incurred to bring the asset to the condition necessary for it to be capable of operating in the manner intended by Management, including the initial estimated cost of dismantling and removing the asset and restoring the site on which it is located for which the Company is obligated to incur when the asset is acquired, if applicable.

Subsequent costs are included in an assets’ carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the asset and which has different useful life, is depreciated separately. After initial recognition, property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of property and equipment is charged to the statement of comprehensive income on a straight-line method, over the useful lives of the individual assets as follows:

	Useful life
Leasehold improvements	Shorter of lease term or 5 years
Office equipment	4 years
IT equipment	2 years
Furniture and fittings	4 years
Motor vehicles	4 years

The residual value, useful lives and depreciation methods of assets are reviewed, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.



The carrying amount of an asset is written-down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

Fully depreciated items of property and equipment are retained in the financial statements until it is disposed of or written off.

3.8 Intangible assets

Intangible assets consist of computer software and are stated at cost less accumulated amortisation and accumulated impairment, if any. Acquired computer software is capitalised on the basis of the cost incurred to acquire the specific software and bring it into use. Intangible assets are amortised on the straight-line method over two years.

3.9 Employee benefits

Severance indemnity

The Company calculates severance indemnity by applying a fixed rate of 5% of the employee's monthly basic salary. This obligation will be settled upon resignation or retirement of the employee. Employees are entitled to this benefit based on their length of service (after completion of probation period) of regular employment, except termination due to serious offense. This obligation earns no interest.

The Company recognises the provision for the severance pay in the financial statements and withdrawal can only be made upon resignation or retirement.

Seniority indemnity payment

Prakas No. 443, issued on 21 September 2018 by the Minister of Labour and Vocational Training ("MoLVT"), requires the Company to pay past seniority indemnity to employees with undetermined duration contract. All employees who have been working before 1 January 2019 and continue to work are entitled to a payment of fifteen days of their average wages for each year of service, totalling but not exceeding six months, and shall be paid every year starting 2019 as follows:

- 7.5 days shall be made in June; and,
- 7.5 days shall be made in December of each year.

On 22 March 2019, MoLVT issued Directive no. 042/19 on the Back Pay of Seniority Payment before 2019 for the Enterprise and Institution aside from the Textile, Garment and Footwear sectors, postponing the payment of back pay seniority indemnity until December 2021 and changing the payment of their average wages of each year of service from 15 days to 6 days as follows:

- 3 days shall be made in June; and,
- 3 days shall be made in December of each year.

For employees with determined duration contract, they are entitled to the severance pay at least 5% of their wages paid during the length of the contract.

Employees are not entitled to the remaining past seniority payment upon resignation.



Short-term employee benefits

Wages, salaries, social security contributions, paid annual leave, paid sick leave, bonuses, severance pay and non-monetary benefits are measured on an undiscounted basis and are expensed when employees rendered their services to the Company.

Short-term accumulating compensated absences such as paid annual leave are recognized as an expense when employees render services that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognized when the absence occur. Employee that follow proper resignation policy are entitled to get the unused annual leave days. They can get compensation if they did not use all of the annual leaves.

Bonuses are recognised as an expense when there is present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

3.10 Borrowings

Borrowings are recognised initially at the transaction price and subsequently stated at amortised cost. Interest expense is recognised on the basis of the effective interest method.

3.11 Equity, accumulated profits (losses) and reserves

Equity

Share capital represents the nominal (par) value of shares that have been issued.

Accumulated profits (losses)

Accumulated profits (losses) includes all current and prior period profits and losses.

Reserves

Article 73 of Prakas on Credit Risk Grading and Impairment Provisioning requires the banks to compare the provision calculated in accordance with CIFRS and Prakas No 7-017-344 and, accordingly.

1. In case the regulatory provision calculated in accordance with the said Prakas is lower than the calculation in accordance with CIFRS for SMEs, the bank shall record the provision calculated in accordance with CIFRS for SMEs.
2. In case the regulatory provision calculated in accordance with the said Prakas is higher than the calculation in accordance with CIFRS for SMEs, the bank shall record the provision calculated in accordance with CIFRS for SMEs and transfer the difference from retained earnings or accumulated loss account into regulatory reserve in the equity section of the statement or financial position.

3.12 Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. This does not apply to loans to customers which has a separate accounting policy stated in Note 3.6.



An impairment loss in respect of a financial asset is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the income statement.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

Non-financial assets

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit ("CGU") to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

3.13 Related party transactions

A related party is a person or entity that is related to the Company. A related party transaction is a transfer of resources, services or obligations between the Company and its related party, regardless of whether a price is charged.

- a. A person or a close member of that person's family is related to the Company if that person:
 - i. Has control or joint control over the Company;
 - ii. Has significant influence over the Company; or
 - iii. Is a member of the key management personnel of the ultimate holding company of the Company, or the Company.
- b. An entity is related to the Company if any of the following conditions applies:
 - i. The entity and the Company are members of the same group.
 - ii. One entity is an associate or joint venture of the other entity.
 - iii. Both entities are joint ventures of the same third party.
 - iv. On entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - v. The entity is a post-employment benefit plan for the benefits of employees of either the Company or an entity related to the Company.
 - vi. The entity is controlled or jointly-controlled by a person identified in (a) above.



- vii. A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the ultimate holding company or the entity.
- viii. The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

3.14 Income and expense recognition

Interest income and expense are recognised on an accrual basis using the effective interest method. The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or financial liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

Income from the various activities of the Company is accrued using the following basis:

- Interest income from loans to customers is recognised on an accrual basis using the effective interest method.
- Fees and commission are recognised as income over the term of the loan to customer. Unamortised loan fees and commissions are recognized as "unearned income", under other liabilities.

General and administrative expenses

General and administrative expenses are recognised in the statement of comprehensive income in the period in which they are incurred.

3.15 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

The Company as a lessee

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except when another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except when another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3.16 Provision

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.



When there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are re-measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

3.17 Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to or claims from fiscal authorities relating to current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements.

Deferred income tax is calculated on temporary differences between the carrying amounts of assets and liabilities and their tax bases that are expected to increase or reduce taxable profit in the future and on unused tax losses and unused tax credits.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization provided that they are enacted or substantively enacted at the reporting date, taking into consideration all possible outcomes of a review by the tax authorities.

The carrying amount of deferred tax assets is reviewed at each reporting date and adjusted as necessary to reflect the current assessment of future taxable profit.

3.18 Events after the reporting period

The Company identifies events after the end of each reporting period as those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. The financial statements of the Company are adjusted to reflect those events that provide evidence of conditions that existed at the end of the reporting period. Non-adjusting events after the end of the reporting period are disclosed in the notes to the financial statements if it is material.



4 Significant management judgement in applying accounting policies and estimation uncertainty

The estimates and associated assumptions are based on the historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following are the critical judgments, apart from those involving estimations, that Management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Leases

The evaluation of whether an arrangement contains a lease is based on the substance of the lease agreement. An arrangement is, or contains, a lease when the fulfilment of the arrangement depends on a specific asset or assets and the arrangements convey the right to use the asset.

Income tax expense

The Company will recognise liabilities for expected tax expenses based on an estimate of whether the taxes are due through Management's current interpretation of the various tax legislations which are subject to periodic changes. The final determination of a tax expense will be made following examination by the GDT. When the final tax outcome of these matters is different from the amount that were initially recognised, such differences will impact the tax provision in the financial year in which such determination is made.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment

In assessing impairment, Management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Useful life of depreciable assets

Management reviews its estimate of the useful life of depreciable assets at each reporting date, based on the expected utility of the assets.



Provision for loans to customers

The Company uses a provision matrix to calculate the allowance for its loans to customers. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Company's historical observed default rates. The Company calibrates the matrix to adjust the historical credit loss experience with historical recoveries. At every reporting date, the historical observed default rates are updated analysed.

The assessment of the correlation between historical observed default rates and allowance for loans to customers is a significant estimate. The amount of allowance for loans to customers is sensitive to changes in circumstances. The Company's historical credit loss experience may also not be representative of customer's actual default in the future. The impact of provisioning on the Company's loans to customers is disclosed in note 8.

5 Balances with the NBC

	31 December 2021		31 December 2020	
	USD	KHR'000	USD	KHR'000
	(Note 3.2)		(Note 3.2)	
Capital guarantee deposits	1,000,000	4,074,000	1,000,000	4,045,000
Current accounts	18,691	76,147	4,179,733	16,907,020
	1,018,691	4,150,147	5,179,733	20,952,020

Under the NBC's Prakas No. B7-00-006 dated 10 January 2000, the Company is required to maintain a statutory deposit of 5% of its capital. This is not available for use in the Company's day-to-day operations and is only refundable should the Company voluntarily ceased its operations in Cambodia. Hence, it is not considered as part of cash and cash equivalents for the purpose of the statement of cash flows.

During the year, interest was earned on statutory deposit at rates 0.47% per annum (2020: from 0.47% to 0.48%). Current accounts do not earn interest.

6 Balances with other banks

	31 December 2021		31 December 2020	
	USD	KHR'000	USD	KHR'000
	(Note 3.2)		(Note 3.2)	
Fixed deposit	4,076,503	16,607,673	-	-
Current accounts	19,924	81,170	536,086	2,168,467
Saving accounts	1,721,882	7,014,947	19,634	79,420
	5,818,309	23,703,790	555,720	2,247,887
Regulatory provision for balances with other banks	(57,966)	(236,153)	(5,359)	(21,677)
	5,760,343	23,467,637	550,361	2,226,210



Further analysis is as follows:

	31 December 2021		31 December 2020	
	USD	KHR'000	USD	KHR'000
	(Note 3.2)		(Note 3.2)	
a.) By currency:				
USD	5,067,565	20,645,261	529,603	2,142,244
KHR	750,744	3,058,529	26,117	105,643
	5,818,309	23,703,790	555,720	2,247,887
	31 December 2021		31 December 2020	
b.) By interest rate (per annum):	1.00% - 1.25%		1.00% - 1.25%	

7 Cash and cash equivalents

	31 December 2021		31 December 2020	
	USD	KHR'000	USD	KHR'000
	(Note 3.2)		(Note 3.2)	
Cash on hand	3,153	12,845	2,375	9,607
Balances with the NBC	18,691	76,147	4,179,733	16,907,020
Balances with other banks	5,818,309	23,703,790	555,720	2,247,887
	5,840,153	23,792,782	4,737,828	19,164,514

8 Loans to customers-net

	31 December 2021		31 December 2020	
	USD	KHR'000	USD	KHR'000
	(Note 3.2)		(Note 3.2)	
Commercial loans	17,726,578	72,218,079	21,033,257	85,079,526
Mortgage loans	9,517,336	38,773,627	8,907,735	36,031,787
Personal loans	4,947,841	20,157,504	6,558,550	26,529,335
Loan to customer-gross	32,191,755	131,149,210	36,499,542	147,640,648
Allowance for loans to customers	(70,212)	(286,044)	(205,528)	(831,361)
Loans to customers-net	32,121,543	130,863,166	36,294,014	146,809,287



The movements in allowance for loans to customers were as follows:

	USD	2021 KHR'000 (Note 3.2)	USD	2020 KHR'000 (Note 3.2)
At the beginning of year	205,528	831,361	1,341,502	5,466,621
Provision for the year	537,575	2,186,855	-	-
Reversal of provision due to write off	(672,891)	(2,737,321)	(1,135,974)	(4,631,366)
Currency translation differences	-	5,149	-	(3,894)
At the end of year	70,212	286,044	205,528	831,361

Loans to customers-gross are analyzed as follows:

	31 December 2021		31 December 2020	
	USD	KHR'000 (Note 3.2)	USD	KHR'000 (Note 3.2)
(a) By maturity:				
Within one month	52,721	214,785	106,000	428,770
>1 to 3 months	95,712	389,931	4,450,419	18,001,945
>3 to 12 months	5,618,922	22,891,488	5,051,231	20,432,231
Over 12 months	26,424,400	107,653,006	26,891,892	108,777,702
	32,191,755	131,149,210	36,499,542	147,640,648

	31 December 2021		31 December 2020	
	USD	KHR'000 (Note 3.2)	USD	KHR'000 (Note 3.2)
(b) By currency:				
USD	27,583,904	112,376,825	32,506,309	131,488,020
KHR	4,607,851	18,772,385	3,993,233	16,152,628
	32,191,755	131,149,210	36,499,542	147,640,648

The Company maintains loans in KHR equivalent to at least 10% of its total loan portfolio in compliance with NBC's Prakas No. B7-016-334 on Provision of Credit in National Currency of Banking and Finance Institutions.





	31 December 2021		31 December 2020	
	USD	KHR'000	USD	KHR'000
	(Note 3.2)		(Note 3.2)	
(c) By economic sectors:				
Services	19,157,242	78,046,603	21,460,022	86,805,790
Trade and commerce	5,104,169	20,794,385	5,543,668	22,424,137
Financial institutions	2,784,160	11,342,668	4,190,021	16,948,635
Manufacturing	1,719,118	7,003,687	-	-
Agriculture	574,810	2,341,776	547,629	2,215,159
Construction	483,59	1,970,166	1,080,861	4,372,083
Transportation	471,451	1,920,691	513,113	2,075,542
Household and family	-	-	1,934,800	7,826,266
Other categories	1,897,210	7,729,234	1,229,428	4,973,036
	32,191,755	131,149,210	36,499,542	147,640,648

	31 December 2021		31 December 2020	
	USD	KHR'000	USD	KHR'000
	(Note 3.2)		(Note 3.2)	
(d) By relationship:				
External customers	32,191,755	131,149,210	36,499,542	147,640,648

	31 December 2021		31 December 2020	
	USD	KHR'000	USD	KHR'000
	(Note 3.2)		(Note 3.2)	
(e) By location:				
Head office	19,765,000	80,522,610	23,558,003	95,292,124
Branch	12,426,755	50,626,600	12,941,539	52,348,524
	32,191,755	131,149,210	36,499,542	147,640,648

	31 December 2021		31 December 2020	
	USD	KHR'000	USD	KHR'000
	(Note 3.2)		(Note 3.2)	
(f) By performance:				
Standard loans				
-Secured	20,075,063	81,785,807	28,521,753	115,370,493
-Unsecured	2,784,160	11,342,668	4,190,021	16,948,635
Special mention loans				
-Secured	7,229,045	29,451,129	2,431,439	9,835,169
Sub-standard loans				
-Secured	-	-	406,452	1,644,098
Loss loans				
-Secured	2,103,487	8,569,606	949,877	3,842,253
	32,191,755	131,149,210	36,499,542	147,640,648



Secured loans are collateralised by real properties such as land and building with hard and soft title deeds. Soft title deed is not issued by cadastral department. Unsecured loans represent uncollateralized loans.

	31 December 2021		31 December 2020	
	USD	KHR'000	USD	KHR'000
		(Note 3.2)		(Note 3.2)
(g) By exposure				
Non-large exposure	32,191,755	131,149,210	36,499,542	147,640,648

A “large exposure” is defined under NBC Prakas as the overall gross exposure of the aggregate balance of loans and advances with one single beneficiary, which exceeds 10% of the institution’s net worth. The gross exposure is the higher of the outstanding loans or commitments and the authorized loans or commitments. As at 31 December 2021 and 2020, there is no large exposure to be disclosed in the financial statements.

(h) By interest rate (per annum):	2021	2020
Commercial loans	6.00% - 10.08%	6.00% - 10.56%
Mortgage loans	6.96% - 12.00%	6.96% - 12.00%
Personal loans	7.15% - 9.80%	7.50% - 9.80%

With effect from 1 April 2017, the annual interest rate charge of all new loans and restructured loans are capped at 18% as required by the NBC in its Prakas B7-017-109.

9 Other assets

	31 December 2021		31 December 2020	
	USD	KHR'000	USD	KHR'000
		(Note 3.2)		(Note 3.2)
Receivables from Wing (Cambodia)				
Limited Specialised Bank (“Wing”)	156,248	636,554	152,196	615,633
Prepayments	134,676	548,671	96,512	390,391
	290,924	1,185,225	248,708	1,006,024

Receivables from Wing are loan payments made by customers with Wing, which have not been deposited yet to the Company’s account.



10 Property and equipment

	Leasehold improvements	Office equipment	IT equipment	Furniture and fittings	Motor vehicles	Total
	USD	USD	USD	USD	USD	USD
Gross carrying amount						
Balance at 1 January 2021	236,294	32,157	71,109	30,895	9,322	379,777
Additions	-	3,165	838	334	-	4,337
Balance at 31 December 2021	236,294	35,322	71,947	31,229	9,322	384,114
Accumulated depreciation						
Balance at 1 January 2021	181,965	27,686	68,800	27,482	7,778	313,711
Charge during the year	29,750	3,279	789	2,169	1,164	37,151
Balance at 31 December 2021	211,715	30,965	69,589	29,651	8,942	350,862
Carrying amount at 31 December 2021	24,579	4,357	2,358	1,578	380	33,252
Carrying amount at 31 December 2021 (KHR'000) (Note 3.2)	100,134	17,752	9,606	6,429	1,548	135,469





	Leasehold improvements USD	Office equipment USD	IT equipment USD	Furniture and fittings USD	Motor vehicles USD	Total USD
Gross carrying amount						
Balance at 1 January 2020	236,294	32,157	70,637	30,895	9,322	379,305
Additions	-	-	824	-	-	824
Write-off	-	-	(352)	-	-	(352)
Balance at 31 December 2020	236,294	32,157	71,109	30,895	9,322	379,777
Accumulated depreciation						
Balance at 1 January 2020	142,922	24,196	65,330	25,046	6,096	263,590
Charge during the year	39,043	3,490	3,705	2,436	1,682	50,356
Write-off	-	-	(235)	-	-	(235)
Balance at 31 December 2020	181,965	27,686	68,800	27,482	7,778	313,711
Carrying amount at 31 December 2020	54,329	4,471	2,309	3,413	1,544	66,066
Carrying amount at 31 December 2020 (KHR'000) (Note	219,761	18,086	9,339	13,804	6,247	267,237

Management believes that there is no indication that an impairment loss has occurred for the years ended 31 December 2021 and 2020



11 Intangible assets

	2021		2020	
	USD	KHR'000 (Note 3.2)	USD	KHR'000 (Note 3.2)
Computer software				
Gross carrying amount				
Balance 1 January	33,772	136,608	29,487	120,159
Additions	1,960	7,985	4,285	17,333
Currency translation difference	-	-	-	(884)
Balance 31 December	35,732	144,593	33,772	136,608
Accumulated amortisation				
Balance 1 January	(24,094)	(97,460)	(21,960)	(89,486)
Charge during the year	(2,791)	(11,371)	(2,134)	(8,632)
Currency translation difference	-	281	-	658
Balance 31 December	(26,885)	(108,550)	(24,094)	(97,460)
Carrying amount 31 December	8,847	36,043	9,678	39,148

Management believes that there is no indication that an impairment loss has occurred for the years ended 31 December 2021 and 2020.

12 Share capital

The Company's registered capital is USD20,000,000 divided into 20,000 shares with a par value of USD1,000 per share. The ordinary shares have been fully issued and paid up by Taiwan Business Bank Ltd, which is also the Company's ultimate parent company.

13 Regulatory reserve

As at 31 December 2021, balance of the regulatory provision calculation is USD1,811,413 (31 December 2020: USD2,123,382) higher than the provision calculated per CIFRS for SMEs. As such, in compliance with Prakas No. 7-017-344 Article 73 (b), as at 31 December 2021, the amount of USD311,969 is transferred from regulatory reserve to closing balance of accumulated losses (31 December 2020: USD1,155,956 is transferred from closing balance of accumulated losses to regulatory reserve).



14 Borrowings

	31 December 2021		31 December 2020	
	USD	KHR'000 (Note 3.2)	USD	KHR'000 (Note 3.2)
Bank of Kaohsiung (note 14.1)	12,049,734	49,090,616	12,052,873	48,753,871
Taichung Commercial Bank (note 14.2)	-	-	3,003,331	12,148,474
Sunny Bank Ltd, OBU Branch (note 14.3)	6,017,082	24,513,592	6,017,532	24,340,917
	18,066,816	73,604,208	21,073,736	85,243,262

14.1 Bank of Kaohsiung

The borrowings from Bank of Kaohsiung is unsecured and bears interest at the rate of 3 months LIBOR + 1.50%, approximately 1.72% per annum during 2021 (2020: 1.72%). The borrowing was disbursed on 15 July 2020 and will mature on 6 October 2023.

14.2 Taichung Commercial Bank

The borrowings from Taichung Commercial Bank, a bank incorporated in Taiwan, are unsecured with a maximum credit limit of USD3,000,000 and bear interest at the rate of 3 months LIBOR + 2%, approximately ranging from 2.19% to 2.22% per annum during 2021 (2020: 2.22%). On 17 March 2021 and 1 April 2021, the Company paid off the amount of USD2,000,000 and USD 1,000,000, respectively.

14.3 Sunny Bank Ltd, OBU Branch

The borrowings from Sunny Bank Ltd - OBU Branch, a bank incorporated in Taiwan, are unsecured, and bear interest at the rate of every month LIBOR + 1.5% per annum, approximately 1.62% to 1.72% per annum during 2021 (2020: 1.72%). These borrowings were rolled over with the same annual interest rate in 2020 and 2021. The borrowings will mature on 27 August 2022.

Interest expense recognised on the statement of comprehensive income amounted to USD318,427 (2020: USD555,737) with details as follows:

	31 December 2021		31 December 2020	
	USD	KHR'000 (Note 3.2)	USD	KHR'000 (Note 3.2)
Bank of Kaohsiung	202,601	824,181	107,038	436,395
Taichung Commercial Bank	15,013	61,073	307,157	1,252,277
Sunny Bank Ltd, OBU Branch	100,813	410,107	141,542	577,068
	318,427	1,295,361	555,737	2,265,740



All payments to non-resident bank are subjected to WHT at the rate of 14% to comply with Cambodia's Law on Taxation. Interest payable as at 31 December 2020 amounted to USD73,736 (2019: USD35,619).

Reconciliation of liabilities arising from financing activities

The changes in the Company's liabilities arising from financing activities are classified as follows:

	1 January 2021 USD	Interest expense USD	Repayments of principal USD	Repayments of interest USD	USD	31 December 2021 KHR'000 (Note 3.2)
Bank of Kaohsiung	12,052,873	202,601	-	(205,740.00)	12,049,734	49,090,616
Taichung Commercial Bank	3,003,331	15,013	(3,000,000)	(18,344.00)	-	-
Sunny Bank Ltd, OBU Branch	6,017,532	100,813	-	(101,263.00)	6,017,082	24,513,592
	21,073,736	318,427	(3,000,000)	(325,347)	18,066,816	73,604,208

	1 January 2020 USD	Interest expense USD	Cash flows Proceeds USD	Repayments of principal USD	Repayments of interest USD	USD	31 December 2020 KHR'000 (Note 3.2)
Bank of Kaohsiung	-	107,038	12,000,000	-	(54,165)	12,052,873	48,753,871
Taichung Commercial Bank	15,032,314	307,157	-	(12,000,000)	(336,140)	3,003,331	12,148,474
Sunny Bank Ltd, OBU Branch	6,003,305	141,542	-	-	(127,315)	6,017,532	24,340,917
	21,035,619	555,737	12,000,000	(12,000,000)	(517,620)	21,073,736	85,243,262



15 Other liabilities

	31 December 2021		31 December 2020	
	USD	KHR'000 (Note 3.2)	USD	KHR'000 (Note 3.2)
Unearned income	298,035	1,214,195	298,001	1,205,414
Accrued salary and employee benefits	125,520	511,368	155,551	629,204
Accounts payable	15,372	62,625	15,350	62,091
Accrued expenses	59,968	244,310	13,935	56,367
Salary and withholding taxes payable	14,684	59,823	9,672	39,123
	513,579	2,092,321	492,509	1,992,199

16 interest income

	For the year ended 31 December 2021		For the year ended 31 December 2020	
	USD	KHR'000 (Note 3.2)	USD	KHR'000 (Note 3.2)
Loans to customers	2,557,309	10,403,133	2,980,698	12,152,306
Balances with the NBC and other banks	47,872	194,743	30,535	124,491
	2,605,181	10,597,876	3,011,233	12,276,797

17 Fees and commissions

Fees and commissions are administrative fees charged to borrowers for the processing of their loans. During the year, recognized income from fees and commissions amounted to USD91,724 (2020: USD144,109).

18 Other income

	For the year ended 31 December 2021		For the year ended 31 December 2020	
	USD	KHR'000 (Note 3.2)	USD	KHR'000 (Note 3.2)
Realised foreign exchange gains	63,050	256,487	140,029	570,899
Interest from Wing (Cambodia)	5,254	21,373	4,229	17,242
Limited Specialised Bank	116	473	642	2,616
Others				
	68,420	278,333	144,900	590,757



19 Personnel expenses

	For the year ended 31 December 2021		For the year ended 31 December 2020	
	USD	KHR'000 (Note 3.2)	USD	KHR'000 (Note 3.2)
Salaries and bonuses	494,833	2,012,981	580,691	2,367,477
Management allowance	250,219	1,017,891	240,595	980,906
Benefits in kind	141,433	575,349	147,627	601,875
Seniority indemnity	5,578	22,691	6,535	26,644
Other benefits	44,363	180,469	28,627	116,712
	936,426	3,809,381	1,004,075	4,093,614

20 General and administrative expenses

	For the year ended 31 December 2021		For the year ended 31 December 2020	
	USD	KHR'000 (Note 3.2)	USD	KHR'000 (Note 3.2)
Professional fees	179,824	731,524	43,911	179,025
Rental	164,460	669,023	165,055	672,929
Other taxes	146,551	596,169	152,483	621,673
Foreign exchange loss	111,513	453,635	110,939	452,298
Party and entertainment	22,552	91,742	21,841	89,046
Stationeries and utilities	15,528	63,168	17,426	71,046
Security	14,256	57,993	12,787	52,133
Communication	10,529	42,832	11,087	45,202
Marketing and advertising	6,149	25,014	6,378	26,003
Membership	3,228	13,132	3,894	15,876
Travel	659	2,681	1,494	6,091
Others	52,703	214,396	54,453	222,005
	727,952	2,961,309	601,748	2,453,327

21 Income tax

In accordance with Cambodia's tax regulations, the Company has an obligation to pay tax on income at 20% of taxable income or a minimum tax at 1% of annual turnover inclusive of all taxes, except value-added tax, whichever is higher.

The Company's tax returns are subject to examination by the GDT. Because the application of tax laws and regulations on many types of transactions is susceptible to varying interpretations,



the amounts reported in the financial statements could be changed at a later date upon final determination by the GDT.

Income tax expense for the year is summarized as follows:

	For the year ended 31 December 2021		For the year ended 31 December 2020	
	USD	KHR'000 (Note 3.2)	USD	KHR'000 (Note 3.2)
Current income tax	105,645	429,764	287,500	1,172,138

21.1 Reconciliation between profit before income tax and estimated taxable income

The reconciliation between accounting profit before income tax and estimated taxable income for the year ended 31 December 2021 is shown below:

	For the year ended 31 December 2021		For the year ended 31 December 2020	
	USD	KHR'000 (Note 3.2)	USD	KHR'000 (Note 3.2)
Profit before income tax	152,396	619,947	1,083,851	4,418,861
Income tax using statutory tax rate at 20%	30,480	123,991	216,770	883,772
Add: Non-deductible expenses	75,165	305,773	70,730	288,366
Estimated taxable income at 20% (A)	105,645	429,764	287,500	1,172,138
Minimum tax at 1% of revenue (B)	26,052	105,979	33,002	134,549
Estimated current income tax expense (higher of A or B)	105,645	429,764	287,500	1,172,138

The Company's tax returns are subject to examination by the tax authorities. Because the application of tax laws and regulations for many types of transactions is susceptible to varying interpretations, the amounts reported to the financial statements should change at a later date upon final determination by the tax authorities.

21.2 Unrecognised deferred tax assets

Tax losses incurred in any tax year can be carried forward to offset against profit realised in the following five tax years subject to the following conditions:

- The loss must be recorded in the ToI return and submitted to the GDT on time; and
- The Company must not have received a unilateral tax re-assessment.

Deferred tax assets in respect of the tax losses are not recognised in the financial statements because it is not probable that future taxable profits will be available against which the Company can use the benefits therefrom.



The details of the Company's tax losses carried forward are as follows:

Originating year	Can be utilised up to	Tax loss amount USD	Utilised USD	Tax loss carried forward USD
2017	2022	176,451	176,451	-
2018	2023	353,112	353,112	-

21.3 Income tax liability

	USD	2021 KHR'000 (Note 3.2)	USD	2020 KHR'000 (Note 3.2)
As at 1 January	264,886	1,071,464	2,406	9,804
Charge during the year	105,645	429,764	287,500	1,172,138
Income tax paid	(280,728)	(1,142,002)	(25,020)	(102,007)
Currency translation difference	-	6,631	-	(8,471)
As at 31 December	89,803	365,857	264,886	1,071,464

21.4 Taxation contingencies

The taxation system in Cambodia is relatively new and is characterised by numerous taxes and frequently changing legislation, which is often unclear and subject to interpretation. Often times, different interpretations exist among numerous taxation authorities and jurisdictions. Taxes are subject to reviews and investigations by a number of authorities that are enabled by law to impose severe fines, penalties and interest charges.

These facts may create tax risks in Cambodia, substantially greater than in other countries. Management believes that tax liabilities have been adequately provided for based on its interpretation of tax legislation. However, the relevant authorities may have differing interpretations and the effects could be significant since the incorporation of the Company.

22 Lease commitments

The Company has lease commitments for the lease of its office and motor vehicles as follows:

	31 December 2021		31 December 2020	
	USD	KHR'000 (Note 3.2)	USD	KHR'000 (Note 3.2)
Within one year	65,610	267,297	157,350	636,481
From one to five years	-	-	51,200	207,104
	65,610	267,297	208,550	843,585



The Company's lease agreements for its main office and branch office will end on 30 April 2022 and 31 May 2022, respectively.

23 Related parties' balances and transactions

(a) Parties are considered related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties can be individuals or other parties.

There is no related party balances and transactions as at 31 December 2021 and for the year ended except for the key management remuneration as stated below.

(b) Key management personnel comprise persons (including the Directors of the Company) having the authority and responsibility for planning, directing and controlling the activities of the Company directly and indirectly.

Compensation of key management personnel:

	For the year ended 31 December 2021		For the year ended 31 December 2020	
	USD	KHR'000 (Note 3.2)	USD	KHR'000 (Note 3.2)
Salaries and benefits	349,578	1,422,083	977,128	3,983,751

24 Financial risk management

The guidelines and policies adopted by the Company to manage the risks that arise in the conduct of their business activities are as follows:

24.1 Credit risk

Credit risk is the financial loss to the Company if a borrower or counterparty fails to meet its contractual obligations, and arises principally from the loans to customers.

The lending activities are guided by the Company's credit policy to ensure that the overall objectives in the area of lending are achieved; i.e., that the loan portfolio is strong and healthy and credit risks are well diversified. The credit policy documents the lending policy, collateral policy and credit approval processes and procedures implemented to ensure compliance with the NBC Guidelines. Customer with more than one account is subject to stringent and careful review



and assessment. The Company closely monitors concentration of credit risk by industries. Additional criteria for loan disbursement are also imposed for some specific risk areas.

- (i) Credit risk measurement
The Company assesses the probability of default of individual counterparties by focusing on borrowers' forecast profit and cash flow. The credit committee is responsible for approving loans to customers.
- (ii) Risk limit control and mitigation policies
The Company operates and provides loans to individuals or small-medium entrepreneurs within the Kingdom of Cambodia. The Company manages limits and controls the concentration of credit risk whenever it is identified.

The Company employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security in the form of collateral for loans to customers, which is a common practice. The Company implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types to secure for loans to customers are:

- Mortgages over residential properties (land, building and other properties); and
- Charges over business assets such as land and buildings.

- (iii) Exposure to credit risk with regards to loans to customers

	USD	2021 KHR'000 (Note 3.2)	USD	2020 KHR'000 (Note 3.2)
Loans to customers-gross:				
Neither past due nor impaired	22,859,223	93,128,475	32,711,774	132,319,128
Past due but not impaired	7,229,045	29,451,129	2,837,891	11,479,267
Individually impaired	2,103,487	8,569,606	949,877	3,842,253
	32,191,755	131,149,210	36,499,542	147,640,648

Neither past due nor impaired

Loans to customers neither past due nor impaired are good quality loans to customers for which there is no experience of default. These loans are supported by collaterals and Management views that likelihood of default is relatively low.

Past due but not impaired loans

Past due but not impaired loans to customers are those for which contractual interest or principal payments are past due less than 30 days for short-term loans and 90 days for long-term loans, unless other information is available to indicate otherwise.

Impaired loans

Individually impaired loans to customers are loans to customers for which the Company determines that there is objective evidence of impairment and it does not expect to collect all principal and interest due according to the contractual terms of the loans to customers.



24.2 Operational risk

The operational risk losses which would result from inadequate or failed internal processes, people and systems or from external factors is managed through established operational risk management processes, proper monitoring and reporting of the business activities by control and support units which are independent of the business units and oversight provided by the management.

The operational risk management entail the establishment of clear organisational structure, roles and control policies. Various internal control policies and measures have been implemented. These include the establishment of signing authorities, defining system parameters controls, streamlining procedures and documentation. These are reviewed continually to address the operational risks of its micro-finance business.

24.3 Market risk

Market risk is the risk of loss arising from adverse movement in the level of market prices or rates, the two key components being foreign currency exchange risk and interest rate risk.

(i) Foreign currency exchange risk

The Company's operates in Cambodia and transacts primarily in USD. Monetary assets and liability are significantly dominated in USD. Therefore, the Company does not have significant exposure to foreign currency risk.

(ii) Interest rate risk

Interest rate risk refers to the volatility in net interest income as a result of changes in the levels of interest rate and shifts in the composition of the assets and liabilities. The exposure to interest rate risk relate primarily to its loans and bank deposits.

Since the majority of financial assets are short-term and the interest rates are subject to change with the market rates, the Company does not use derivative financial instruments to hedge such risk.

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The table below summarises the Company's exposure to interest rate risks. It includes the Company's financial instruments at the carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

2021	Up to 1 month USD	>1 – 3 month USD	>3 – 12 month USD	>1 – 5 years USD	Over 5 years USD	Non- interest bearing USD	Total USD	Interest rate
Financial assets								
Cash on hand	-	-	-	-	-	3,153	3,153	
Balances with NBC	-	-	-	-	1,000,000	18,691	1,018,691	0.47% - 0.48%
Balances with other banks	19,924	-	4,076,503	-	-	1,721,882	5,818,309	1%-1.25%
Loans to customers- gross	52,721	95,712	5,618,922	11,279,751	15,144,649	-	32,191,755	6%-12%
Other assets *	-	-	-	-	-	156,248	156,248	
Total financial assets	72,645	95,712	9,695,425	11,279,751	16,144,649	1,899,974	39,188,156	
Financial liabilities								
Borrowings	-	-	6,017,082	12,049,734	-	-	18,066,816	3.26%-4.22%
Others liabilities **	-	-	-	-	-	200,860	200,860	
Total financial liabilities	-	-	6,017,082	12,049,734	-	200,860	18,267,676	
Maturity gap	72,645	95,712	3,678,343	(769,983)	16,144,649	1,699,114	20,920,480	
Equivalents to KHR'000 (Note 3.2)	295,956	389,931	14,985,569	(3,136,911)	65,773,300	6,922,190	82,230,037	

* Excludes prepayments

** Excludes taxes payable and unearned income





The table below summarises the Company's exposure to interest rate risks. It includes the Company's financial instruments at the carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

2020	Up to 1 month USD	>1 – 3 month USD	>3 – 12 month USD	>1 – 5 years USD	Over 5 years USD	Non- interest bearing USD	Total USD	Interest rate
Financial assets								
Cash on hand	-	-	-	-	-	2,375	2,375	
Balances with NBC	-	-	-	-	1,000,000	4,179,733	5,179,733	0.47% - 0.48%
Balances with other banks	19,634	-	-	-	-	536,086	555,720	1.00% - 1.25%
Loans to customers- gross	106,000	4,450,419	5,051,231	7,365,848	19,526,044	-	36,499,542	
Other assets *	-	-	-	-	-	152,196	152,196	
Total financial assets	125,634	4,450,419	5,051,231	7,365,848	20,526,044	4,870,390	42,389,566	
Financial Liabilities								
Borrowings	-	-	6,017,532	15,056,204	-	-	21,073,736	3.22% - 5.90%
Others liabilities **	-	-	-	-	-	184,836	184,836	
Total financial liabilities	-	-	6,017,532	15,056,204	-	184,836	21,258,572	
Maturity gap	125,634	4,450,419	(966,301)	(7,690,356)	20,526,044	4,685,554	21,130,994	
Equivalents to KHR'000 (Note 3.2)	508,190	18,001,945	(3,908,688)	(31,107,490)	83,027,848	18,953,066	85,474,871	

* Excludes prepayments

Excludes taxes payable and unearned income



24.4 Liquidity risk

Liquidity risk relates to the ability to maintain sufficient liquid assets to meet its financial commitments and obligations when they fall due at a reasonable cost.

In addition to full compliance of all liquidity requirements, the Management of the Company closely monitors all inflows and outflows and the maturity gaps through periodical reporting. Movements in loans are monitored and liquidity requirements adjusted to ensure sufficient liquid assets to meet its financial commitments and obligations as and when they fall due.

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The following table provides an analysis of the financial assets and liabilities of the Company into relevant maturity groupings based on the remaining periods to repayment.

2021	Up to 1 month USD	>1 – 3 month USD	>3 – 12 month USD	>1 – 5 years USD	Over 5 years USD	Non- interest bearing USD	Total USD
Financial assets							
Cash on hand	3,153	-	-	-	-	-	3,153
Balances with NBC	18,691	-	-	-	-	1,000,000	1,018,691
Balances with other banks	5,818,309	-	-	-	-	-	5,818,307
Loans to customers	52,721	95,712	5,618,922	11,279,751	15,144,649	-	32,191,755
Other assets *	156,248	-	-	-	-	-	156,248
Total financial assets	6,049,122	95,712	5,618,922	11,279,751	15,144,649	1,000,000	38,188,156
Financial Liabilities							
Borrowings	-	-	6,017,082	12,049,734	-	-	18,066,816
Other liabilities **	200,860	-	-	-	-	-	200,860
Total financial liabilities	200,860	-	6,017,082	12,049,734	-	-	18,267,676
Net liquidity surplus (gap)	5,848,262	95,712	(398,160)	(769,983)	15,144,649	1,000,000	20,355,924
Equivalent KHR'000 (Note 3.2)	23,825,819	389,931	(1,622,104)	(3,136,911)	61,699,300	4,074,000	82,930,035

* Excludes prepayments

** Excludes taxes payable and unearned income





2020	Up to 1 month USD	>1 – 3 month USD	>3 – 12 month USD	>1 – 5 years USD	Over 5 years USD	Non-interest bearing USD	Total USD
Financial assets							
Cash on hand	2,375	-	-	-	-	-	2,375
Balances with NBC	4,179,733	-	-	-	-	1,000,000	5,179,733
Balances with other banks	555,720	-	-	-	-	-	555,720
Loans to customers	106,000	4,450,419	5,051,231	7,365,848	19,526,044	-	36,499,542
Other assets *	152,196	-	-	-	-	-	152,196
Total financial assets	4,996,024	4,450,419	5,051,231	7,365,848	19,526,044	1,000,000	42,389,566
Financial Liabilities							
Borrowings	-	-	6,017,532	15,056,204	-	-	21,073,736
Other liabilities **	184,836	-	-	-	-	-	184,836
Total financial liabilities	184,836	-	6,017,532	15,056,204	-	-	21,258,572
Net liquidity surplus (gap)	4,811,188	4,450,419	(966,301)	(7,690,356)	19,526,044	1,000,000	21,130,994
Equivalent KHR'000 (Note 3.2)	19,461,255	18,001,945	(3,908,688)	(31,107,490)	78,982,848	4,045,000	85,474,871

* Excludes prepayments

** Excludes taxes payable and unearned income



25 Capital management

(i) Regulatory capital

The Company's objectives when managing capital, which is a broader concept than the 'equity' on the face of the statement of financial position, are:

- To comply with the capital requirements set by the NBC;
- To safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and,
- To maintain a strong capital base to support the development of the business.

The NBC requires all licensed deposit-taking micro-finance institutions to (i) fulfil the minimum capital requirements, and (ii) comply with solvency, liquidity and other requirements.

(ii) Capital allocation

The allocation of capital between specific operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily upon the regulatory capital.

26 Events after the reporting date

No adjusting or significant non-adjusting events have occurred between 31 December 2021 and the date of authorisation of these financial statements.

27 Authorisation of financial statements

The financial statements as at 31 December 2021 and for the year then ended were approved for issue by the Board of Directors on 27 April 2022.



Company Contact Information



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