



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

Annual Report

2024

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 the Chief Executive Officer (CEO)

Cambodia's economy showed sign of steady recovery in the first half of 2025, though it continues to face several internal and external challenges:

1. Economic Growth and Key Drivers

- GDP growth: According to the International Monetary Fund (IMF), Cambodia's real GDP growth rate is projected to reach 5.8% in 2025.
- Key industries: Economic growth is primarily driven by exports of garments and agricultural products, while the tourism sector continues its gradual recovery. The service sector is expected to grow by 5.6%, agriculture by 1.1%, and industry by 8.6%.
- GDP per Capita: GDP per capita is forecasted to reach approximately US\$2,924 in 2025.



2. Financial Conditions and Risk Factors

- Inflation: The inflation rate spiked to 6% in early 2025, but the IMF estimates it will average around 2% for the year, indicating easing price pressures.
- Fiscal Position: The fiscal deficit is projected to decline from 3% of GDP in 2024 to 2.4% in 2025. Public debt is expected to remain below 30% of GDP, reflecting sound fiscal discipline.
- Financial Risks: Credit growth has decelerated, while the real estate and construction sectors are undergoing adjustments. A rise in non-performing loans (NPLs) suggests growing debt burdens within the private sector.

3. External Challenges and Geopolitical Impacts

- Trade frictions: On April 2, 2025, the United States imposed a 49% tariff on Cambodian goods, significantly affecting the country's garment and footwear exports. Although bilateral trade negotiations have commenced, the tariff issue remains unresolved, leading Moody's to downgrade Cambodia's economic outlook to "Negative."
- Regional cooperation: Cambodia and China signed a \$1.2 billion financing agreement to jointly develop the Funan–Techo Canal, which will connect the Mekong River with the Gulf of Thailand. This project aims to enhance logistics capacity and create employment opportunities.

4. Investment and Infrastructure Development

- Foreign Direct Investment (FDI): In January 2025, Cambodia attracted US\$748 million in FDI, representing a 300% year-on-year increase. Investments were concentrated in manufacturing, renewable energy, and digital economy sectors.
- Infrastructure Projects: Techo International Airport is scheduled to begin operations in September 2025. Its initial annual passenger capacity of 13 million will be expanded to 50 million, significantly enhancing Cambodia's air transport capabilities.

5. Structural Risks and Outlook

- Real Estate Market: The real estate and construction sectors are undergoing corrections, with rising NPLs reflecting post-boom vulnerabilities.



- External Dependence: Cambodia's heavy reliance on Chinese raw materials poses challenges amid global supply chain restructuring, particularly as the "China Plus 1" strategy encounters growing obstacles.

Following several years of rapid expansion, Cambodia's banking and microfinance sectors began to slow in 2024, amid declining credit quality and structural adjustments. As of August 2024, total assets of microfinance institutions (MFIs) stood at approximately USD 6.2 billion, with total loan balances of USD 5.2 billion, across 1.6 million loan accounts. Loans are mainly concentrated in sectors such as Households (32.8%), Agriculture (20.8%), Trade (20.1%) and Services (11.8%), showing continued support for rural and SME sectors. The NPL ratio increased from 4.87% at the end of 2023 to 6.23% as of May 2024, reflecting a weakening in borrowers' repayment capacity.

TBBMFI has adopted the following strategies to deal with the latest economic situation:

1. Expand business scale

- Diversified Lending Strategy: TBBMFI is expanding its credit portfolio by targeting enterprise planning to establish factories, extending loans to Taiwanese businesses, and deepening relationships with existing clients.
- Prudent Credit Assessment: In light of the evolving global trade environment, including potential new tariffs under a second Trump presidency, TBBMFI will rigorously assess borrowers' income diversity, stability, and resilience to market fluctuations to mitigate lending risks.

2. Improving Asset Quality

- Overdue Loan Collections: Supervisors and staff at all levels will work with collection teams to implement targeted recovery strategies, such as borrower negotiations, collateral disposal support, and legal actions when necessary. The 2025 target is to recover six overdue cases totaling approximately USD 2.65 million, equivalent to 5.62% of total outstanding loans.
- Post-loan Management: Strengthen on-site inspections after loans are issued, understand the situation of customers with potential overdue risks in a timely manner, intervene in counseling, transfer loans or sell collateral to repay loans in advance to improve asset quality.

3. Strengthening Internal Management

- Regulatory Compliance: Remain mindful of past audits findings and strictly abide by internal policies and external regulations. Internal policies should be promptly updated to any changes in laws and regulations. In response to the 2024 tax audit penalty, an external accounting firm will be retained in 2025 to conduct a comprehensive tax check, minimizing operational and compliance risks.
- Professional Development: In addition to regular training, TBBMFI will accelerate onboarding for new recruits, enhance staff competencies, and implement strict supervisory review mechanisms, which will also be incorporated into annual performance evaluations.



4. Cost Control and Capital Optimization

- Cost Reduction Measures: Strive to reduce interest rates for peer credit. Reduce non-essential expenditures such as public relations, marketing, utilities, and administrative costs. Headcount will be managed prudently, with expenditures reduced to core necessities.
- Mitigating Tariff Impact: Given the economic pressure from U.S. reciprocal tariffs, TBBMFI will provide active relief assistance to clients under stress. For borrowers facing repayment difficulties, TBBMFI will encourage voluntary collateral sales, engage intermediaries for asset disposal, or seek stronger counterparties to assume collateral. Successful resolution of these cases may reduce the institution's NPL ratio to below 10%, enhancing financial resilience against future challenges.



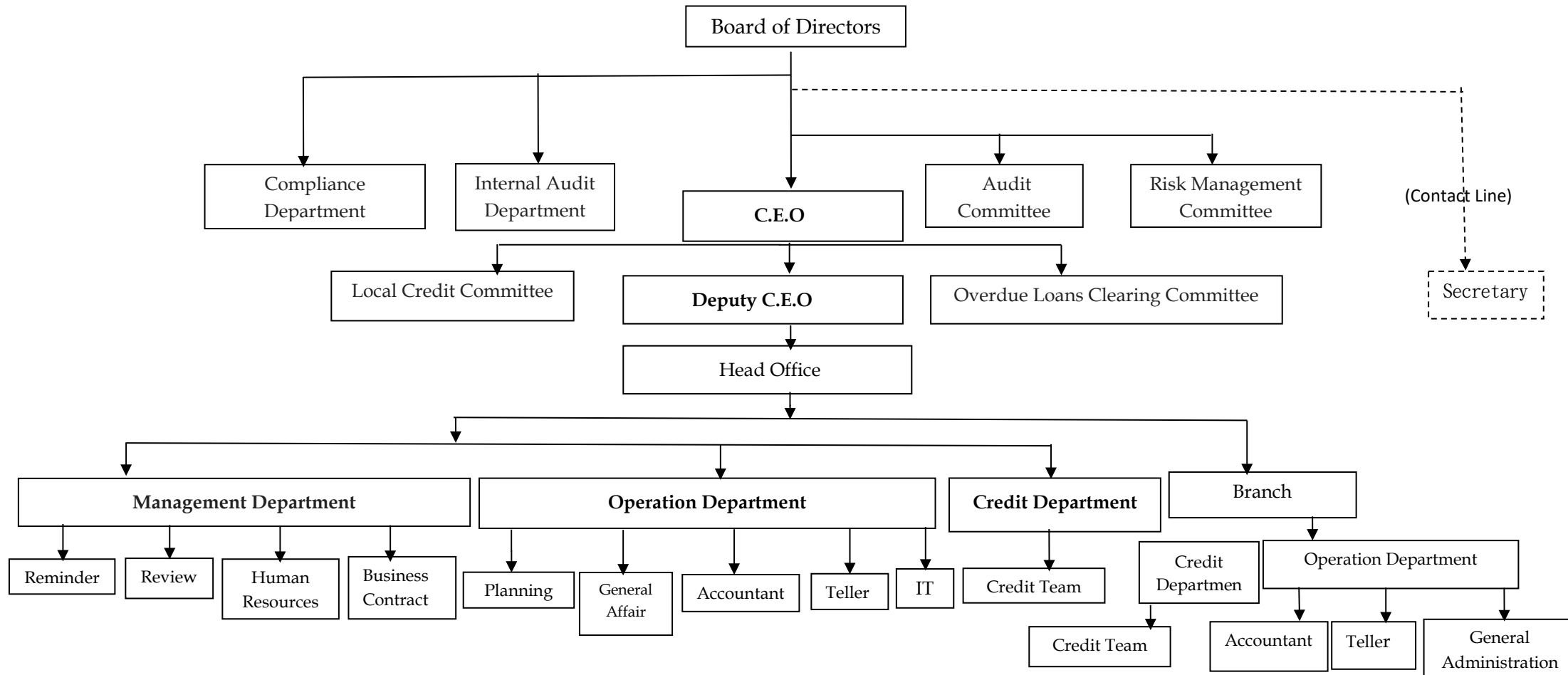
Chiang Hung Tien

Director & CEO

Phnom Penh, 9 June, 2025



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:

- Yi Tseng Hsiang Chairman
- Luan Jia Ruey Board Member
- Chiang Hung Tien Board Member & CEO
- Tseng Jun Shen Board Member (Independent Director)



Yi Tseng Hsiang
Chairman



Luan Jia Ruey
Director



Chiang Hung Tien
Director & CEO



Tseng Jun Shen
Independent Director





Directors and Management Team

Board of Directors

Title	Name	Effective Date	Prime Experience & Education
Chairman	Yi Tseng Hsiang	1 Sep. 2022	<ul style="list-style-type: none">● Master of Finance, National Taiwan University of Science and Technology● Executive Vice President of Taiwan Business Bank
Director	Luan Jia Ruey	10 Nov. 2023	<ul style="list-style-type: none">● Master of Banking and Finance, Tamkang University● Executive Vice President of Taiwan Business Bank
Director & CEO	Chiang Hung Tien	26 Aug. 2021	<ul style="list-style-type: none">● Business Administration, National Chung Hsing University● VP & Chief Representative, Yangon Representative Office
Independent Director	Tseng Jun Shen	1 Sep. 2022	<ul style="list-style-type: none">● Master of Science, National Chin-Yi University of Technology● Executive Vice President of Taiwan Business Bank



Directors and Management Team

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
Deputy CEO	Chen Hsin Kuang	30 Nov. 2022	<ul style="list-style-type: none"> • Accounting, National Taipei University • Executive Officer of Taiwan Business Bank Credit Investigation Dept.
Manager of Operation Dept.	Han Yu	1 Aug. 2023	<ul style="list-style-type: none"> • Master of Economics, National Chung Cheng University • Senior Banking Officer of Taiwan Business Bank International Banking 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
Manager of Internal Audit Dept.	Kuch Bunthach	1 Sep. 2019	<ul style="list-style-type: none"> • Master of Business Administration, Build bright University
Manager of Compliance Dept.	Som Sokleng	13 Mar. 2023	<ul style="list-style-type: none"> • Certification Accountant Technician, Cam-Ed Business school • Regulation Compliance Certification, Institute of Banking and Finance • Banking and Finance, Economics and Finance University.



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...)

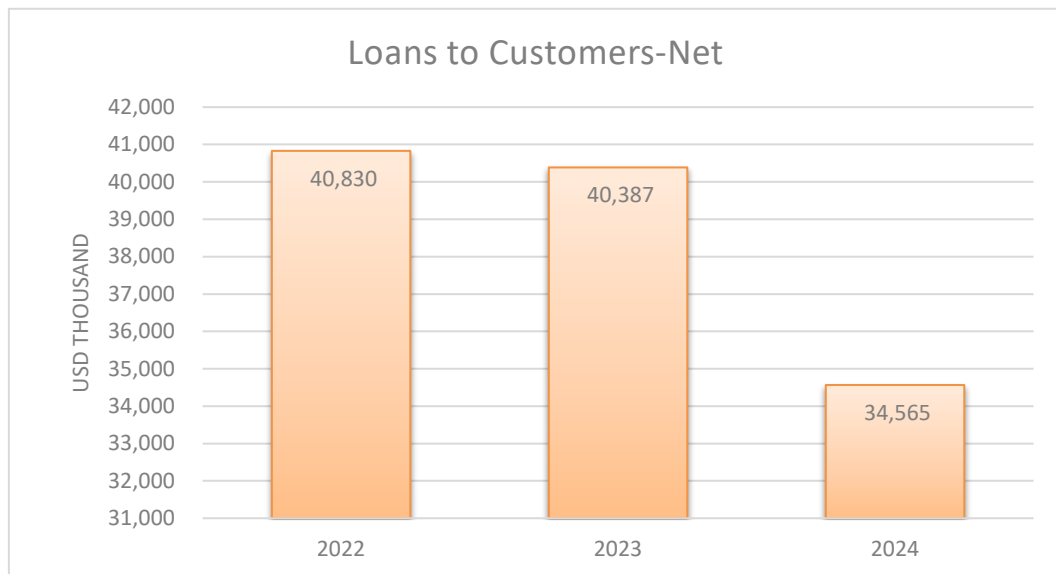
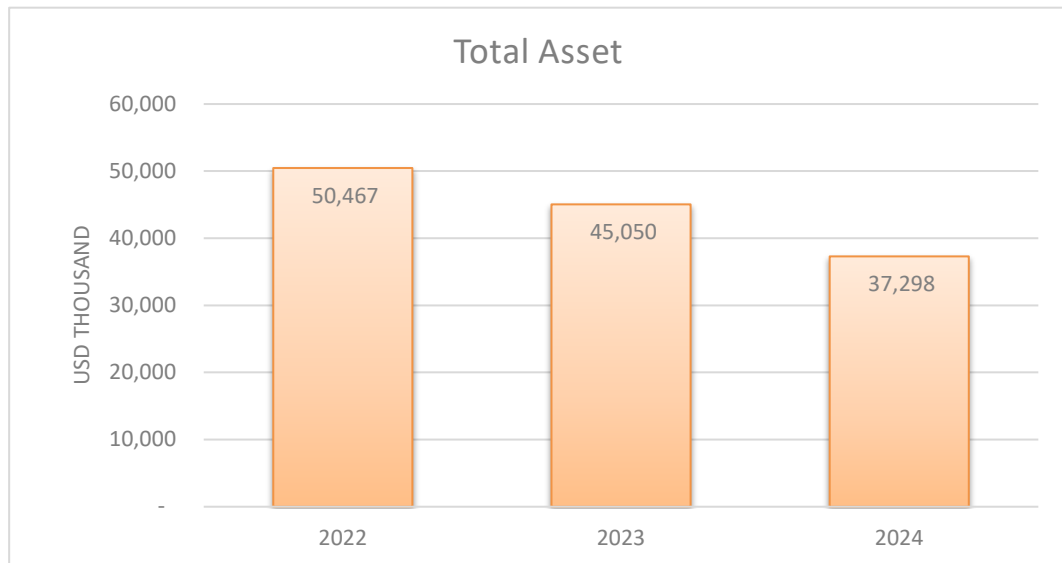
Mortgage Loan (ML)

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



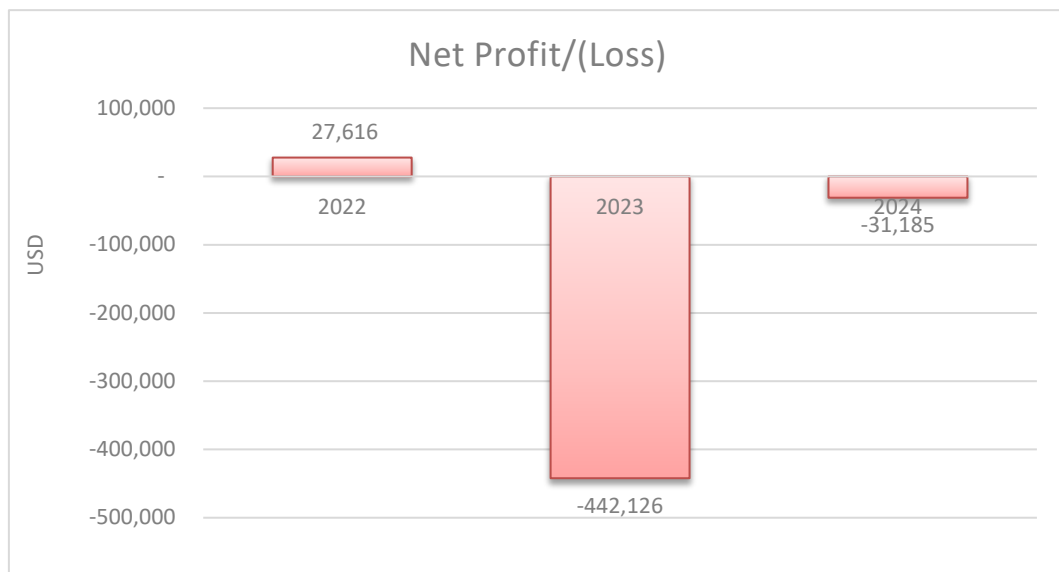
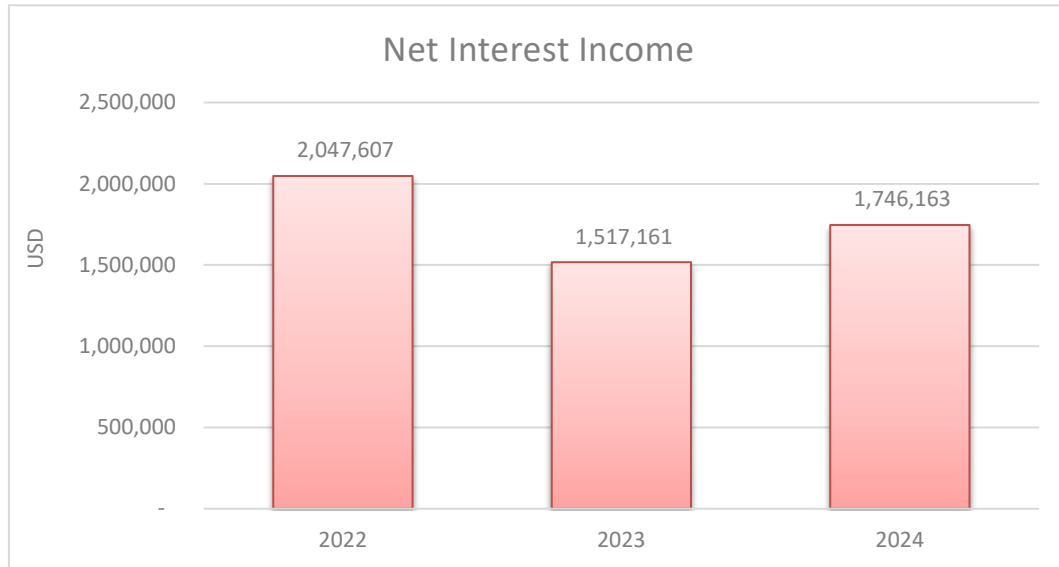


Financial Highlight





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. In 2023, the loan disbursement was USD6,722,845 / KHR13,421,100,000 and USD9,804,913 / KHR3,860,000,000 in 2024. Regarding gross loan outstanding at the end of 2023, it was USD35,896,095 / KHR20,992,534 and USD31,565,988 / KHR15,236,287 at the end of 2024.



Corporate Social Responsibility

Charitable events





Company Activities

Business events



Head Office Staff

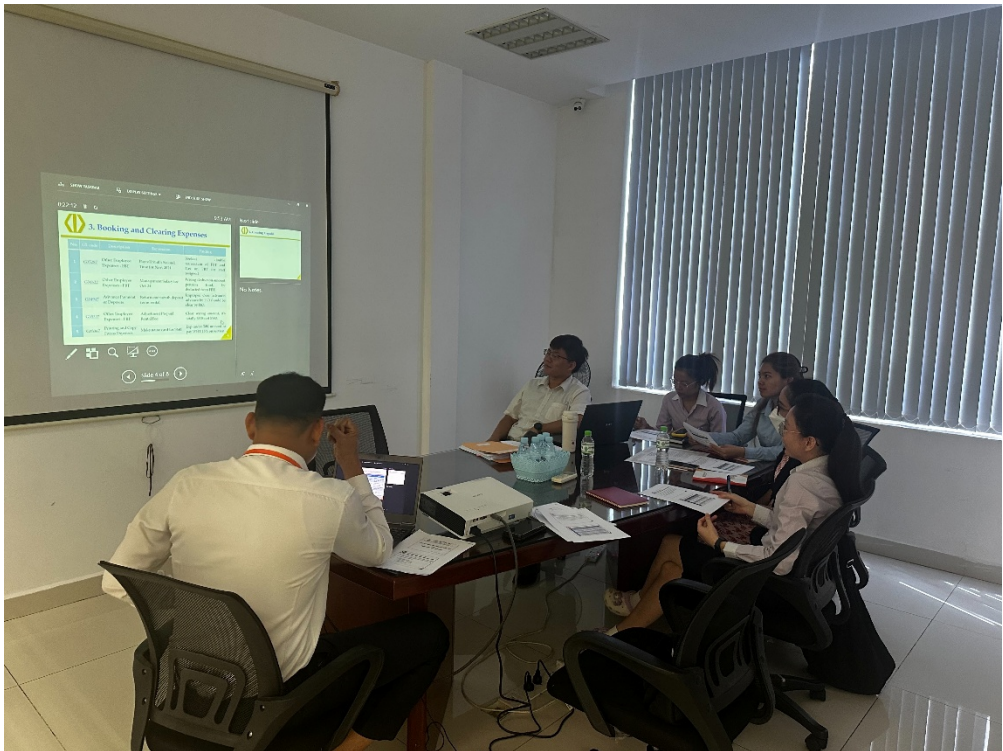


BKK Branch Staff



Company Activities

Internal Training



Company Activities

Birthday Party



Company Activities

Annual Trip





ភ្នំពេញ កម្ពុជា (ទីស្នាក់ការកណ្តាល) ភីអិលស៊ី

臺灣企銀微型財務公司

TBB (CAMBODIA) MICROFINANCE INSTITUTION PLC





ក្រុមហ៊ុនមីក្រូហិរញ្ញវត្ថុ ប៊ីប៊ី (ខេមបូឌា) ភីអិលស៊ី

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

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Company for the year ended 31 December 2024.

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

	USD	KHR'000
Loss for the year	(31,185)	(126,953)

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous year.

The Board of Directors do not recommend the payment of dividends for the year ended 31 December 2024.

RESERVES AND PROVISIONS

There were no material transfers to reserves and no material provision during the year other than those amount as disclosed in the financial statements.

BAD AND DOUBTFUL LOANS

Before the financial statements of the Company were prepared, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad loans and the making of allowance for doubtful loans and had satisfied themselves that all known bad loans had been written off and that adequate allowance had been made for doubtful loans.

At the date of this report, the Directors are not aware of any circumstances which would render the amount written off for bad loans or the amount of allowance for doubtful loans in the financial statements of the Company inadequate to any substantial extent.

ASSETS

Before the financial statements of the Company were prepared, the Directors took reasonable steps to ensure that any assets which were unlikely to be realized in the ordinary course of business including their values as shown in the accounting records of the Company had been written down to an amount which they might be expected so to realize.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Company misleading.



VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

- (i) any charge on the assets of the Company which has arisen since the end of the year which secures the liabilities of any other person; and
- (ii) any contingent liabilities in respect of the Company which has arisen since the end of the year.

In the opinion of the directors, no contingent or other liability of the Company has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the year which will or may affect the ability of the Company to meet its obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

- (i) the results of the operations of the Company for the year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Company for the year in which this report is made.

ISSUE OF SHARES AND DEBENTURES

During the year, no new issue of shares or debentures were made by the Company.

DIRECTORS

The directors in office during the year and during the period from the end of the year to the date of this report are:

Name	Position	Appointed on	Resigned on
Mr. Yi Tseng-Hsiang	Chairman	1 September 2022	
Mr. Chiang Hung Tien	Director	26 August 2021	
Mr. Luan, Jia-Ruey	Director	10 November 2023	
Mr. Tseng Jun-Shen	Independent Director	1 September 2022	



SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

There is no significant event subsequent to the end of the reporting date.

HOLDING COMPANY AND ULTIMATE CONTROLLING PARTY

The directors regard Taiwan Business Bank, Ltd., a company incorporated in Taiwan and listed on the Taiwan Stock Exchange, as the immediate holding company of the Company. The controlling shareholder of the Company is Bank of Taiwan, an indirect wholly owned subsidiary of the Ministry of Finance of Taiwan.

AUDITORS

The auditors, Baker Tilly (Cambodia) Co., Ltd., have expressed their willingness to continue in office.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors of the Company are responsible for ascertaining that the financial statements of the Company give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with Cambodia International Financial Reporting Standards for Small and Medium-sized Entities ("CIFRS for SMEs"). In preparing these financial statements, the directors of the Company are required to:

- (i) adopt appropriate accounting policies in accordance with Cambodian International Financial Reporting Standard for Small and Medium-Sized Entities ("CIFRS for SMEs"), which are supported by reasonable and prudent judgements and estimates, and then apply them consistently;
- (ii) comply with the disclosure requirements of CIFRS for SMEs or, if there have been any departures from such standards, in the interest of fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the financial statements;
- (iii) maintain adequate accounting records that enable the Company to prepare its financial statements in accordance to CIFRS for SMEs 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 operations in the reasonable future; and
- (v) Effectively control and direct the Company and be involved in all material decisions affecting its operations and performance, and ascertain that such matters have been properly reflected in the financial statements.

The directors confirm that the Company has complied with the above requirements in preparing its financial statements.



APPROVAL OF THE FINANCIAL STATEMENTS

In the opinion of the Directors, the accompanying statement of financial position of TBB (Cambodia) Microfinance Institution PLC. (the "Company") as at 31 December 2024, and the related statement of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements are presented fairly, in all material respects, in accordance with Cambodian International Financial Reporting Standards for Small and Medium-Sized Entities ("CIFRS for SMEs").

Signed on behalf of the Board of Directors,



Mr. Yi Tseng-Hsiang
Chairman

Phnom Penh, Kingdom of Cambodia

Date: 28 MAR 2025



Independent auditor's report

To the shareholders of TBB (Cambodia) Microfinance Institution Plc

Report on the Audit of the Financial Statements

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 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 5 to 26.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with the Cambodian International Financial Reporting Standards for Small and Medium-sized Entities ("CIFRS for SMEs").

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 Auditors' 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' *Code of Ethics for Professional Accountants* ("IESBA Code"), and the ethical requirements that are relevant to our audit of the financial statements in Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the Annual Report and Directors' Report (but does not include the financial statements of the Company and our auditors' report thereon), which we obtained prior to the date of this auditors' report, and other sections included in the annual report, which are expected to be made available to us after that date.



Information Other than the Financial Statements and Auditors' Report Thereon (Continued)

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company 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 auditors' 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.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with the CIFRS for SMEs. The directors are also responsible for such internal controls as the directors determine are necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the directors are 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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors of the Company are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements of the Company, 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 by the directors.



Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

- conclude on the appropriateness of the 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 auditors' report to the related disclosures in the financial statements of the Company 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 auditors' 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 of the Company, 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 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.




Baker Tilly (Cambodia) Co., Ltd.
Certified Public Accountants



Oknha Tan Khee Meng
Certified Public Accountant

Phnom Penh, Kingdom of Cambodia

Date: 28 MAR 2025



Statement of financial position

		For the year ended 31 December 2024		For the year ended 31 December 2023	
	Notes	USD	KHR'000	USD	KHR'000
ASSETS					
Cash on hand		6,700	26,968	3,863	15,780
Balance with the National Bank of Cambodia	5	1,011,472	4,071,175	1,028,372	4,200,900
Balance with other banks - net	6	1,022,247	4,114,544	2,908,650	11,881,835
Loans to customers - net	7	34,564,688	139,122,869	40,387,082	164,981,230
Other assets		388,018	1,561,772	335,465	1,370,375
Property and equipment		182,955	736,394	45,924	187,600
Intangible assets	8	121,719	489,919	340,310	1,390,166
TOTAL ASSETS		37,297,799	150,123,641	45,049,666	184,027,886
EQUITY AND LIABILITIES					
EQUITY					
Share capital	9	20,000,000	80,000,000	20,000,000	80,000,000
Regulatory reserves	10	5,520,608	22,530,540	4,790,999	19,560,302
Accumulated losses		(5,399,748)	(22,068,975)	(4,638,954)	(18,971,784)
Exchange differences		-	524,898	-	1,732,585
TOTAL EQUITY		20,120,860	80,986,463	20,152,045	82,321,103
LIABILITIES					
Borrowings	11	16,160,062	65,044,250	24,123,765	98,545,580
Deferred tax liabilities - net	16(b)	587,064	2,362,932	423,184	1,728,707
Other liabilities		429,813	1,729,996	350,672	1,432,496
TOTAL LIABILITIES		17,176,939	69,137,178	24,897,621	101,706,783
TOTAL EQUITY AND LIABILITIES		37,297,799	150,123,641	45,049,666	184,027,886



Statement of comprehensive income

	Note	For the year ended 31 December 2024		For the year ended 31 December 2023	
		USD	KHR'000	USD	KHR'000
Interest income	12	3,089,574	12,577,656	3,223,763	13,249,666
Interest expense	11	(1,343,411)	(5,469,026)	(1,706,602)	(7,014,134)
Net interest income		1,746,163	7,108,630	1,517,161	6,235,532
Other income	13	333,278	1,356,775	162,886	669,461
Fee and commissions		110,563	450,102	299,210	1,229,753
Personnel expenses	14	(933,225)	(3,799,159)	(1,057,826)	(4,347,665)
Depreciation and amortisation		(82,770)	(336,957)	(20,553)	(84,473)
General and administrative expenses	15	(921,231)	(3,750,331)	(804,671)	(3,307,198)
Impairment loss on loans to customers	7	(138,769)	(564,929)	(174,691)	(717,980)
Regulatory provision for balance with other banks		18,686	76,071	59,542	244,718
Profit/(Loss) before income tax		132,695	540,202	(18,942)	(77,852)
Income tax expense	16(a)	(163,880)	(667,155)	(423,184)	(1,739,286)
Loss for the year		(31,185)	(126,953)	(442,126)	(1,817,138)
Other comprehensive loss					
Exchange differences		-	(1,207,687)	-	(647,960)
Total comprehensive loss for the year		(31,185)	(1,334,640)	(442,126)	(2,465,098)



Statement of changes in equity

Notes	Share capital		Regulatory reserves		Accumulated losses		Exchange differences	Total equity	
	USD	KHR'000	USD	KHR'000	USD	KHR'000	KHR'000	USD	KHR'000
At 1 January 2023	20,000,000	80,000,000	2,063,000	8,348,226	(1,468,829)	(5,942,570)	2,380,545	20,594,171	84,786,201
Loss for the year	-	-	-	-	(442,126)	(1,817,138)	-	(442,126)	(1,817,138)
Other comprehensive loss	-	-	-	-	-	-	(647,960)	-	(647,960)
Total comprehensive income	-	-	-	-	(442,126)	(1,817,138)	(647,960)	(442,126)	(2,465,098)
Transactions recognized directly in equity									
Transfer from accumulated losses to regulatory reserve	10	-	-	2,727,999	11,212,076	(2,727,999)	(11,212,076)	-	-
At 31 December 2023									
/1 January 2024	20,000,000	80,000,000	4,790,999	19,560,302	(4,638,954)	(18,971,784)	1,732,585	20,152,045	82,321,103
Loss for the year	-	-	-	-	(31,185)	(126,953)	-	(31,185)	(126,953)
Other comprehensive loss	-	-	-	-	-	-	(1,207,687)	-	(1,207,687)
Total comprehensive loss	-	-	-	-	(31,185)	(126,953)	(1,207,687)	(31,185)	(1,334,640)
Transactions recognized directly in equity									
Transactions from accumulated losses to regulatory reserve	10	-	-	729,609	2,970,238	(729,609)	(2,970,238)	-	-
At 31 December 2024	20,000,000	80,000,000	5,520,608	22,530,540	(5,399,748)	(22,068,975)	524,898	20,120,860	80,986,463





Statement of cash flows

	Notes	For the year ended 31 December 2024		For the year ended 31 December 2023	
		USD	KHR'000	USD	KHR'000
Operating activities					
Profit/(Loss) before income tax		132,695	540,202	(18,942)	(77,852)
Adjustments for:					
Interest expense	11	1,343,411	5,469,026	1,706,602	7,014,134
Depreciation and amortisation		82,770	336,957	20,553	84,473
Impairment loss on loans to customers		138,769	564,929	174,691	717,980
Regulatory provision for balances with other banks		(18,686)	(76,071)	(59,542)	(244,719)
Operating profit before changes in working capital		1,678,959	6,835,043	1,823,362	7,494,016
Changes in:					
Loans to customers		5,683,625	23,138,037	268,429	1,103,243
Other assets		17,346	70,616	(76,960)	(316,307)
Other liabilities		79,141	322,183	(214,867)	(883,103)
Cash generated from operations		7,459,071	30,365,879	1,799,964	7,397,849
Income tax paid		(69,622)	(283,431)	(88,555)	(363,961)
Net cash generated from operating activities		7,389,449	30,082,448	1,711,409	7,033,888
Investing activities					
Purchase of property and equipment		(1,210)	(4,926)	(50,935)	(209,343)
Purchase of intangible assets				(343,275)	(1,410,860)
Withdrawal of term deposit		1,733,170	7,055,735	388,278	1,595,823
Net cash generated / (used in) from investing activities		1,731,960	7,050,809	(5,932)	(24,380)
Financing activities					
Proceeds from borrowings		1,600,000	6,513,600	17,000,000	69,479,000
Repayments of borrowings:					
- Principal portion		(9,500,000)	(38,674,500)	(19,000,000)	(90,420,000)
- Interest portion		(1,407,114)	(5,728,361)	(1,802,011)	(7,406,265)
Net cash used in from financing activities		(9,307,114)	(37,889,261)	(6,802,011)	(27,956,265)



Statement of cash flows (CONTINUED)

	Notes	For the year ended 31 December 2024		For the year ended 31 December 2023	
		USD	KHR'000	USD	KHR'000
Net decrease in cash and cash equivalents		(185,705)	(756,004)	(5,096,534)	(20,946,757)
Cash and cash equivalents at the beginning of the year		1,236,241	5,050,044	6,332,775	26,072,038
Exchange differences		-	(65,631)	-	(75,237)
Cash and cash equivalents at the ending of the year		1,050,536	4,228,409	1,236,241	5,050,044

Cash and cash equivalents comprise of the followings:

	Notes	For the year ended 31 December 2024		For the year ended 31 December 2023	
		USD	KHR'000	USD	KHR'000
Cash on hand		6,700	26,968	3,863	15,780
Balance with the National Bank of Cambodia ("NBC")	5	11,472	46,175	28,372	115,900
Balance with other banks with original maturity of less than three months	6	1,032,364	4,155,266	1,204,006	4,918,364
		1,050,536	4,228,409	1,236,241	5,050,044



Notes to the financial statements

1. CORPORATE INFORMATION

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 license from the National Bank of Cambodia (“NBC”). The Company re-registered with the MOC on 13 December 2017 to operate as a microfinance institution, under the Registration No. 00029793.

The Directors regard Taiwan Business Bank, Ltd., a company incorporated in Taiwan and listed on the Taiwan Stock Exchange, as the immediate holding company of the Company. The controlling shareholder of the Company is Bank of Taiwan, an indirect wholly owned subsidiary of the Ministry of Finance of Taiwan.

The registered office and principal place of business of the Company is located in No. 2E-2F, St. 315, Sangkat Boeung Kak 1, Khan Toul Kork, Phnom Penh, Kingdom of Cambodia.

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.

2. BASIS OF PREPARATION

2.1. Statement of compliance

The financial statements of the Company are prepared in accordance with the Cambodian International Financial Reporting Standard for Small and Medium-Sized Entities (“CIFRS for SMEs”), following Circular No. 004 MoEF.NAC dated 3 January 2019 issued by the National Accounting Council of the Ministry of Economy and Finance on the implementation of the accounting standards for banks and financial institutions.

The preparation of financial statements in conformity with the CIFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimations are significant to the financial statements, are disclosed in Note 4.

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, unless otherwise stated.

2.2. Basis of measurement

The financial statements of the company have been prepared on the historical cost basis



2.3. 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 United States Dollar (“USD”), the directors have 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.

The translations of USD amounts into KHR presented in the financial statements are included solely to comply with the Law on Accounting and Auditing and have been using the prescribed official annual closing and average exchange rate of USD1 to KHR4,025 and USD1 to KHR4,071 respectively, for the year ended 31 December 2024 (2023: KHR4,085 and KHR4,110) as announced by the National Bank of Cambodia.

These convenience translations 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.

The translations of USD amounts into KHR presented in the financial statements are included solely to comply with the Law on Accounting and Auditing and have been using the prescribed official annual closing and average exchange rate of USD1 to KHR4,025 and USD1 to KHR4,071 respectively, for the year ended 31 December 2024 (2023: KHR4,085 and KHR4,110) as announced by the National Bank of Cambodia.

These convenience translations 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Financial instruments

Financial assets

The Company’s financial assets include cash and cash equivalents, loans to customers and other assets (excluding prepayments and capital guarantee deposits with the NBC). These financial assets are recognized initially at the transaction price. Subsequently, they are measured at amortized cost using the effective interest method, less provisions for impairment.

The carrying amounts of the financial assets as at the reporting date was USD36,924,584 (2023: USD44,643,289).

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

Financial liabilities

The Company’s financial liabilities include borrowings and other liabilities (excluding other taxes payable). Financial liabilities are recognized initially at transaction price. After initial recognition, they are measured at amortized cost using the effective interest method. Other liabilities are on normal credit terms and do not bear interest.

The carrying amounts of the financial liabilities as at the reporting date was USD16,481,014 (2023: USD24,408,626)

3.2 Cash and cash equivalents

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



Company has full ability to withdraw for general purpose whenever needed and is subjected to insignificant risk of change in value.

3.3 Loans to customers

Loans are written off to the statement of comprehensive income when the loans are provisioned in full and 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.

(i) Provision for impairment

(a) Specific impairment

The Company recognizes 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.

(b) 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 provision rates and loss given default rates based on historical recovery data.

(ii) Regulatory provision

Credit classification and provisioning for financial institutions in accordance with Prakas No. B7-017-344, dated 1 December 2017 as issued by the “NBC” provides guidance on credit classification and regulatory provisioning for financial institution in Cambodia, as summaries below:

Classification	Number of days past due	Provision
Short-term loans (less than one year):		
Normal/standard	< 15 days	1%
Special mention	15 days – 30 days	3%
Substandard	31 days – 60 days	20%
Doubtful	61 days – 90 days	50%
Loss	≥ 91 days	100%

Classification	Number of days past due	Provision
Long-term loans (more than one year):		
Normal/standard	< 30 days	1%
Special mention	30 days – 89 days	3%
Substandard	90 days – 179 days	20%
Doubtful	180 days – 359 days	50%
Loss	≥ 360 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:

- in case the regulatory provision calculated in accordance with the said Prakas is lower than the impairment calculated in accordance with CIFRS for SMEs, the Company shall record the provision calculated in accordance with CIFRS for SMEs.
- in case the regulatory provision calculated in accordance with the said Prakas higher than the impairment calculated in accordance with the CIFRS for SMEs, the Company 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.

3.4 Property and equipment

Property and equipment are recognized initially at cost less accumulated depreciation and impairment losses. Cost includes all cost incurred to bring the asset to the condition necessary for it to be capable of operating in the manner intended by management.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of parts that are replaced is derecognized. All other repairs and maintenances are charged to profit or loss during the period in which they are incurred.

Depreciation of property and equipment are charged to the statement of comprehensive income using the straight-line method over the useful lives of the individual assets as follows:

Useful lives (Years)

Leasehold improvements	Shorter of lease term or 5
Office equipment	4
Computer equipment	5
Furniture and fittings	4

The assets' residual values, useful lives and depreciation methods 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 recognized in the profit or loss.

3.5 Employee benefits

(i) Severance indemnity

The Company calculates severance indemnity by applying a fixed rate 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 employee, except termination due to serious offense. This obligation earns no interest.



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

(ii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.6 Impairment of assets

(i) 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.

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 statement of comprehensive income.

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

(ii) 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 might 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 purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

3.7 Income taxes

Income tax expense comprises current and deferred tax, and are recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates that have been enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases (known as temporary differences).

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred tax asset to be realised or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.



3.8 Borrowings

Borrowings are recognised initially at the transaction price and subsequently stated at amortised cost.

3.9 Interest income and expense recognition

Interest income and expense are recognised in profit or loss 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 using effective interest method. Unamortised loan fees and commissions are recognised as “unearned income”, under other liabilities.

3.10 Operating leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amounts recognised in the financial statements include the followings:

4.1 Impairment loss on 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.

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 7.

4.2 Income taxes

Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the year in which such determination is made.

The income tax expense of the Company is disclosed in Note 15 to the financial statements.



5 BALANCE WITH THE NATIONAL BANK OF CAMBODIA

	2024		2023	
	USD	KHR'000	USD	KHR'000
Capital guarantee deposits	1,000,000	4,025,000	1,000,000	4,085,000
Current accounts	11,472	46,175	28,372	115,900
	<u>1,011,472</u>	<u>4,071,175</u>	<u>1,028,372</u>	<u>4,200,900</u>

The capital guarantee deposit is maintained with NBC in compliance with Prakas No. B7-00-006 on the Licensing of Microfinance Institutions, the amounts of which are determined at 5% of the Company's authorised share capital. This is not available for use in the Company's day-to-day operations and is only refundable when the Company voluntarily liquidates or cease its operation.

The capital guarantee deposit earns interest at the rate of 0.37% per annum (2023: 0.47% per annum).

6 BALANCE WITH OTHER BANKS-NET

	2024		2023	
	USD	KHR'000	USD	KHR'000
Cash at banks	663,863	2,672,049	1,119,402	4,572,757
Term deposits with original maturity				
of less than 3 months	347,826	1,400,000	-	-
Saving accounts	1,277	5,140	1,275	5,208
Current accounts	662,586	2,666,909	1,118,127	4,567,549
	<u>1,011,689</u>	<u>4,072,049</u>	<u>1,119,402</u>	<u>4,572,757</u>
Accrued interest receivables	20,675	83,217	84,604	345,607
Total balance with other banks with original maturity of less than 3 months	1,032,364	4,155,266	1,204,006	4,918,364
Term deposits with original maturity of more than 3 months	-	-	1,733,170	7,079,999
	<u>1,032,364</u>	<u>4,155,266</u>	<u>2,937,176</u>	<u>11,998,363</u>
Regulatory provision for balances with other banks	(10,117)	(40,722)	(28,526)	(116,528)
Balance as stated in the statement of financial position	<u>1,022,247</u>	<u>4,114,544</u>	<u>2,908,650</u>	<u>11,881,835</u>

Balance with other banks are analysed as follows:

	2024		2023	
	USD	KHR'000	USD	KHR'000
(a) By currency:				
KHR	455,564	1,833,645	1,119,402	4,572,757
USD	576,800	2,321,621	1,817,774	7,425,606
	<u>1,032,364</u>	<u>4,155,266</u>	<u>2,937,176</u>	<u>11,998,363</u>



(b) By maturity:

Within 1 month	684,538	4,918,364	1,204,006	4,918,364
1 to 3 months	347,826	1,400,000	-	-
4 to 12 months	-	-	1,733,170	7,079,999
	1,032,364	4,155,266	2,937,176	11,998,363

	Per annum	Per annum
(c) By interest rate:		
Cash at banks	0.20% - 1.05%	0.20% - 1.05%
Term deposits	4.50% - 8.20%	4.50% - 8.20%



7. LOANS TO CUSTOMERS - NET

	2024		2023	
	USD	KHR'000	USD	KHR'000
Mortgage loans	16,268,312	65,479,956	18,660,196	76,226,901
Commercial loans	13,479,780	54,256,115	15,739,713	64,296,728
Personal loans	5,603,309	22,553,318	6,635,117	27,104,453
Loan to customers - gross	35,351,401	142,289,389	41,035,026	167,628,082
Less: allowance for impairment loss	(786,713)	(3,166,520)	(647,944)	(2,646,852)
Loan to customers - net	34,564,688	139,122,869	40,387,082	164,981,230

Movement of allowance for impairment loss are as follows:

	2024		2023	
	USD	KHR'000	USD	KHR'000
At 1 January	647,944	2,646,852	473,253	1,948,383
Charge for the year	138,769	564,929	174,691	717,980
Exchange differences	-	(45,261)	-	(19,511)
At 31 December	786,713	3,166,520	647,944	2,646,852

Gross loans to customers are analysed as follows:

	2024		2023	
	USD	KHR'000	USD	KHR'000
(a) By maturity:				
Within 3 months	3,844,780	15,475,240	5,731,368	23,412,638
4 to 12 months	4,609,937	18,554,996	6,669,554	27,245,128
1 to 2 years	8,881,322	35,747,321	11,011,760	44,983,040
2 to 3 years	430,351	1,732,163	225,088	919,484
3 to 4 years	437,388	1,760,487	476,075	1,944,766
4 to 5 years	3,660,185	14,732,245	1,578,415	6,447,825
Over 5 years	13,487,438	54,286,937	15,342,766	62,675,201
	35,351,401	142,289,389	41,035,026	167,628,082
(b) By payment methods:				
Balloon repayment method	19,975,533	80,401,520	23,990,739	98,002,169
Declining method	13,177,493	53,039,409	14,329,418	58,535,673
Declining method with grace period	2,198,375	8,848,460	2,714,869	11,090,240
	35,351,401	142,289,389	41,035,026	167,628,082



	2024		2023	
	USD	KHR'000	USD	KHR'000
(c) By currency:				
USD	31,565,988	127,053,102	35,896,095	146,635,548
KHR	3,785,413	15,236,287	5,138,931	20,992,534
	<u>35,351,401</u>	<u>142,289,389</u>	<u>41,035,026</u>	<u>167,628,082</u>

On 1 December 2016, the NBC issued a Prakas No. B7-016-334 on Provision of Credit in National Currency of Banking and Financial Institutions, required all institutions to maintain loans in national currency (KHR) at least 10% of the total loan portfolio.

	2024		2023	
	USD	KHR'000	USD	KHR'000
(d) By relationship:				
External customers	<u>35,351,401</u>	<u>142,289,389</u>	<u>41,035,026</u>	<u>167,628,082</u>
(e) By economic sectors:				
Services	21,570,117	86,819,721	22,192,276	90,655,447
Trade and commerce	4,542,604	18,283,981	7,910,836	32,315,765
Financial institution	3,594,083	14,466,184	3,766,748	15,387,166
Manufacturing	1,413,360	5,688,774	1,354,733	5,534,084
Construction	616,468	2,481,284	747,188	3,052,263
Transportation	141,075	567,827	209,568	856,085
Agriculture	449,398	1,808,827	-	-
Other categories	3,024,296	12,172,791	4,853,677	19,827,272
	<u>35,351,401</u>	<u>142,289,389</u>	<u>41,035,026</u>	<u>167,628,082</u>
(f) By performance:				
Standard loans				
Secured	22,826,080	91,874,972	29,597,542	120,905,959
Unsecured	4,997,814	20,116,201	5,364,311	21,913,210
Special mention loans				
Secured	1,499,159	6,034,115	665,504	2,718,584
Sub-standard loans				
Secured	890,000	3,582,250	-	-
Doubtful loans				
Secured	420,948	1,694,316	719,898	2,940,783
Loss loans				
Secured	4,717,400	18,987,535	4,687,771	19,149,546
	<u>35,351,401</u>	<u>142,289,389</u>	<u>41,035,026</u>	<u>167,628,082</u>

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



	2024		2023	
	USD	KHR'000	USD	KHR'000
(g) By location:				
Head office	23,390,529	94,146,879	28,226,508	115,305,285
Branch	11,960,872	48,142,510	12,808,518	52,322,797
	<u>35,351,401</u>	<u>142,289,389</u>	<u>41,035,026</u>	<u>167,628,082</u>
(h) By exposure:				
Non-large exposure	<u>35,351,401</u>	<u>142,289,389</u>	<u>41,303,455</u>	<u>170,046,325</u>

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 Company’s net worth. The exposure is calculated based on the higher value between of the outstanding loans or commitments and the authorised loans or commitments.

	2024	2023
	Per annum	Per annum
(i) By interest rate:		
Commercial loans	7.08% - 10.08%	7.08% - 10.10%
Mortgage loans	6.96% - 12.00%	6.50% - 12.00%
Personal loans	<u>7.15% - 9.85%</u>	<u>7.00% - 9.89%</u>

On 13 March 2017, the NBC issued a Prakas No. B7-017-109 on Interest Ceiling on Loans, requiring the microfinance deposit-taking institutions, microfinance institutions, and rural credit operators to set the interest rate to not exceeding 18% per annum, effective from 1 April 2017 applying to all new loans including restructured loans and refinancing.

8. INTANGIBLE ASSETS

	2024	2023
	USD	USD
Computer software		
Cost		
At 1 January	379,007	35,732
Additions	-	343,275
Transfer to property, plant and equipment	(189,175)	-
At 31 December	<u>189,832</u>	<u>379,007</u>
Accumulated amortisation		
At 1 January	(38,697)	(29,868)
Amortisation charge for the year	(29,416)	(8,829)
At 31 December	<u>(68,113)</u>	<u>(38,697)</u>
Net carrying amount		
At 31 December	<u>121,719</u>	<u>340,310</u>
At 31 December (KHR'000)	<u>489,919</u>	<u>1,390,166</u>



9. 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 immediate holding company.

	2024		2023	
	Number of shares	USD	Number of shares	USD
Ordinary shares				
Authorised and fully paid:				
At 1 January/31 December	20,000	20,000,000	20,000	20,000,000
(KHR'000)		<u>80,000,000</u>		<u>80,000,000</u>

10. REGULATORY RESERVE

	2024		2023	
	USD	KHR'000	USD	KHR'000
At 1 January	4,790,999	19,560,302	2,063,000	8,348,226
Transfers	729,609	2,970,238	2,727,999	11,212,076
At 31 December	<u>5,520,608</u>	<u>22,530,540</u>	<u>4,790,999</u>	<u>19,560,302</u>

Transfer from accumulated losses to reserve pertaining to impairment during the year when the provision under NBC requirement is higher than CIRFS for SMEs.

	2024		2023	
	USD	KHR'000	USD	KHR'000
Impairment on credit facilities required by the NBC	6,317,438	25,427,686	5,467,469	22,334,611
Impairment loss on financial assets under CIFRS for SMEs (Note 7)	(796,830)	(3,207,241)	(676,470)	(2,763,381)
Exchange difference	-	310,095	-	(10,928)
At 31 December	<u>5,520,608</u>	<u>22,530,540</u>	<u>4,790,999</u>	<u>19,560,302</u>
At 1 January	(4,790,999)	(19,560,302)	(2,063,000)	(8,348,226)
Transfers	<u>729,609</u>	<u>2,970,238</u>	<u>2,727,999</u>	<u>11,212,076</u>

If the regulatory provision, calculated in accordance with the Prakas on Credit Risk Grading and Impairment Provisioning, is higher than the provision calculated according to CIFRS for SMEs, the Institution shall record the provision based on CIFRS for SMEs. Additionally, the Institution shall transfer the difference from the retained earnings or accumulated loss account to the regulatory reserve in the shareholder's equity section of the statement of financial position, as per Article 73.



11. BORROWINGS

	2024		2023	
	USD	KHR'000	USD	KHR'000
External financial institutions	16,100,000	64,802,500	24,000,000	98,040,000
Accrued interest payable	60,062	241,750	123,765	505,580
	<u>16,160,062</u>	<u>65,044,250</u>	<u>24,123,765</u>	<u>98,545,580</u>

Borrowings are analysed as follows:

	2024		2023	
	USD	KHR'000	USD	KHR'000
(a) By maturity:				
1 to 3 months	60,062	241,750	1,000,000	4,085,000
4 to 12 months	-	-	21,123,765	86,290,580
1 to 2 years	<u>16,100,000</u>	<u>64,802,500</u>	<u>2,000,000</u>	<u>8,170,000</u>
	<u>16,160,062</u>	<u>65,044,250</u>	<u>24,123,765</u>	<u>98,545,580</u>

(b) By type:

Senior debts	<u>16,160,062</u>	<u>65,044,250</u>	<u>24,123,765</u>	<u>98,545,580</u>
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The Company's interest expense for the year amounted USD1,343,411 (2023: USD1,706,602) and bears an interest rate ranging from 5.33% to 7.35% per annum (2023: 5.33% to 7.35%).

12. INTEREST INCOME

	2024		2023	
	USD	KHR'000	USD	KHR'000
Loans to customers	3,006,570	12,239,746	3,067,710	12,608,288
Balance with the NBC and other banks	<u>83,004</u>	<u>337,910</u>	<u>156,053</u>	<u>641,378</u>
	<u>3,089,574</u>	<u>12,577,656</u>	<u>3,223,763</u>	<u>13,249,666</u>

13. OTHER INCOME

	2024		2023	
	USD	KHR'000	USD	KHR'000
Other interest income	173,973	708,244	106,246	436,671
Net unrealised foreign exchange gain	115,555	470,424	51,227	210,543
Net realised foreign exchange gain	39,785	161,965	1,419	5,832
Other non-interest income	<u>3,965</u>	<u>16,142</u>	<u>3,994</u>	<u>16,415</u>
	<u>333,278</u>	<u>1,356,775</u>	<u>162,886</u>	<u>669,46</u>



14. PERSONNEL EXPENSES

	2024		2023	
	USD	KHR'000	USD	KHR'000
Salaries and bonuses	525,474	2,139,205	591,610	2,431,517
Management allowance	243,923	993,011	290,247	1,192,915
Management accommodation	139,688	568,670	154,087	633,298
Seniority indemnity	11,328	46,116	10,202	41,930
Other benefits	12,812	52,157	11,680	48,005
	<u>933,225</u>	<u>3,799,159</u>	<u>1,057,826</u>	<u>4,347,665</u>

15. GENERAL AND ADMINISTRATIVE EXPENSES

	2024		2023	
	USD	KHR'000	USD	KHR'000
Other tax expense	452,213	1,840,959	438,893	1,803,850
Rental expenses	171,080	696,467	170,098	699,103
Professional fees	72,152	293,731	39,882	163,915
Stationery and utility expenses	20,487	83,403	21,015	86,372
Party and entertainment expenses	12,873	52,406	18,543	76,212
Insurance expense	16,958	69,036	18,012	74,029
Security expense	14,256	58,036	14,256	58,592
Marketing and advertising	7,040	28,660	11,668	47,955
Communication expense	9,903	40,315	10,350	42,539
Loss on unrealised foreign exchange-net	83,607	340,364	-	-
Others	60,662	246,954	61,954	254,631
	<u>921,231</u>	<u>3,750,331</u>	<u>804,671</u>	<u>3,307,198</u>

16. INCOME TAX EXPENSE

(a) Income tax expense

	2024		2023	
	USD	KHR'000	USD	KHR'000
Deferred tax:				
Current year	152,165	619,463	53,493	219,856
(over)/Under provision in prior year	11,715	47,692	369,691	1,519,430
	<u>163,880</u>	<u>667,155</u>	<u>423,184</u>	<u>1,739,286</u>

The reconciliation of income tax computed at the statutory tax rate to the Company's income tax expense is as follow:

	2024		2023	
	USD	KHR'000	USD	KHR'000
Profit/(Loss) before income tax	<u>132,695</u>	<u>540,202</u>	<u>(18,942)</u>	<u>(77,852)</u>
Income tax using applicable income tax rate of 20%	26,539	108,040	(3,788)	(15,569)

Tax effect in respect of:



Non-deductible items	291,302	1,185,890	57,281	235,425
Utilisation of tax losses carried forward	(165,676)	(674,467)	-	-
(over)/Under provision of deferred tax in prior year	11,715	47,692	369,691	1,519,430
	<u>163,880</u>	<u>667,155</u>	<u>423,184</u>	<u>1,739,286</u>

(b) Deferred tax asset (liabilities) – net

Deferred tax assets (liabilities) are attributable to:

	Property and equipment and intangible assets USD	Tax losses USD	Impairment loss USD	Total USD
At 31 December 2023/ 1 Jan 2024	25,739	425,327	(874,250)	(423,184)
Credited/(Charged) to profit or loss	(14,065)	(162,257)	12,442	(163,880)
At 31 December 2024	11,674	263,070	(861,808)	(587,064)
At 31 December 2024 (KHR'000)	46,988	1,058,857	(3,468,777)	(2,362,932)

17. LEASE COMMITMENTS

The Company has commitments for the lease of its headquarter and branch offices under non-cancellable operating lease arrangements, with future minimum lease amounts due as follows:

	2024		2023	
	USD	KHR'000	USD	KHR'000
Within 1 year		457,804		807,523
	113,740		197,680	
From 1 to 2 years		262,591		548,044
	65,240		134,160	
	<u>178,980</u>	<u>720,395</u>	<u>331,840</u>	<u>1,355,567</u>

18. RELATED PARTIES

(a) Identity of related parties

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

There are no related party balances and transactions as at 31 December 2024 and for the year ended except for the key management remuneration as stated below.

(b) Key management personnel compensation

Total key management personnel compensation is analysed as below:



	2024		2023	
	USD	KHR'000	USD	KHR'000
Salaries and related expenses	537,993	2,190,170	629,316	2,586,488

19. TAXATION CONTINGENCIES

The taxation system in Cambodia is characterised by numerous taxes and frequently changing legislation, which is often unclear, contradictory and subjected to interpretation. Often different interpretation exists among numerous taxation authorities and jurisdictions. Taxes are subjected to review and investigation by a number of authorities, who are enabled by law to impose severe fines, penalties and interest charges.

These facts may create tax risks in Cambodia, substantially more compared to other countries. Management believes that tax liabilities have been adequately provided based on its interpretation of tax legislations. However, the relevant authorities may have differing interpretations and effects could be significant.

20. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Company for the year ended 31 December 2024 were authorized for issue by the directors dated 28 March 2025.



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