



**ANNUAL
REPORT**

2021





CONTENTS

OPERATIONAL HIGHLIGHTS.....	02
FINANCIAL HIGHLIGHTS.....	03
OPERATION NETWORKS.....	04
CORPORATE INFORMATION	
About Us.....	06
Our Vision and Mission.....	07
Company Milestones.....	08
Message from the CEO.....	09
BUSINESS REVIEW	
Shareholder.....	11
Board of Directors.....	12
Organizational Structure.....	14
Executive Committee Members.....	15
Management Team Members.....	18
Products and Services.....	19
Our Partners.....	20
Human Resource Development.....	21
Social Activities.....	22

Appendix: Financial Statement Audited by the Independent Auditor

OPERATIONAL HIGHLIGHTS

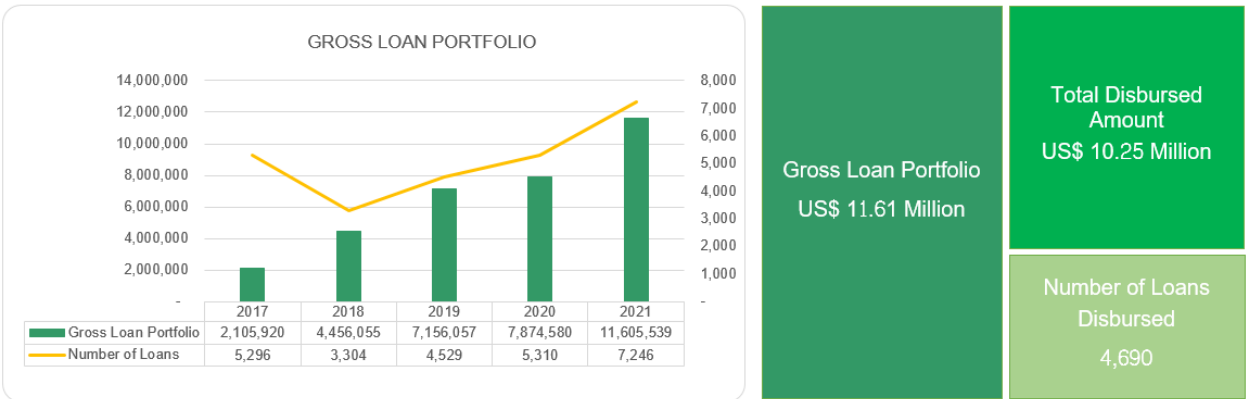


BAMBOO Finance Plc.
OPERATIONAL HIGHLIGHTS
 As of 31 December 2021

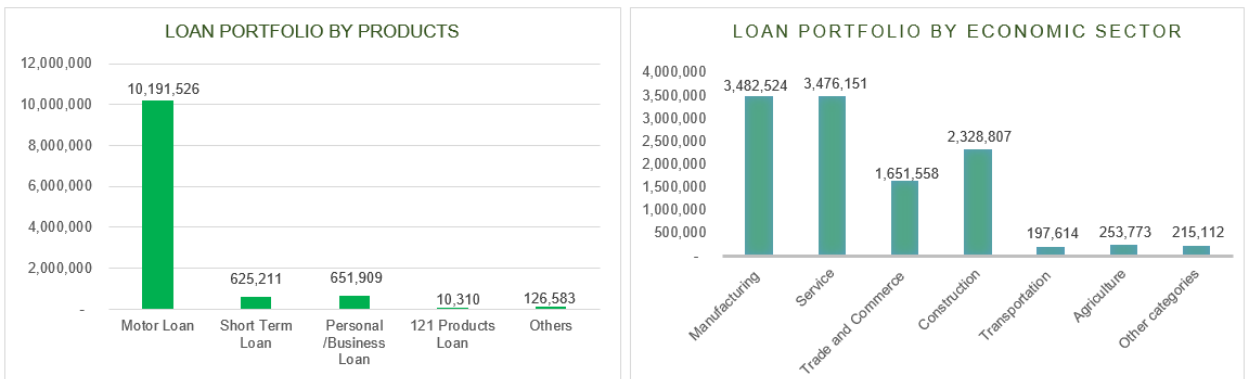

 US\$ 11.61 Million
 Gross Loan Portfolio


 7,246
 Number of Loans

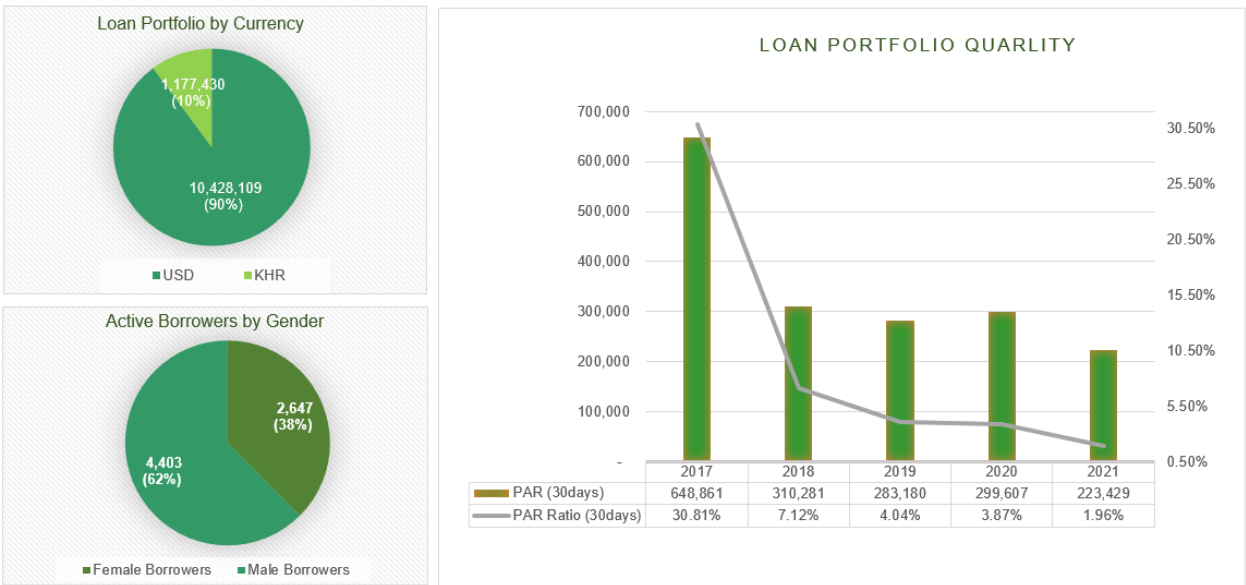
1. Gross Loan Portfolio



2. Loan Portfolio by Product and Economic Sector



3. Loan Portfolio by Currency, Active Borrowers by Gender and Loan Portfolio Quality



FINANCIAL HIGHLIGHTS

(Amounts in US\$)

Financial Highlights (CIFRS for SMEs)

	31/12/2021 Audited	31/12/2020 Audited	31/12/2019 Audited	31/12/2018 Audited	31/12/2017 Audited	Change (%) ¹
Selected financial data						
Assets	12,314,189	8,834,515	7,689,065	4,815,496	2,562,878	39.39%
Loans to customers – net	11,519,026	7,731,692	6,944,899	4,233,382	1,709,798	48.98%
Liabilities	9,834,803	6,578,551	5,477,846	2,880,928	1,977,720	49.50%
Borrowings from shareholders	9,595,086	6,450,653	5,329,655	2,798,671	1,315,211	48.75%
Share Capital	2,500,000	2,500,000	2,500,000	2,500,000	1,250,000	-
Shareholders' Equity	2,479,386	2,255,964	2,211,219	1,934,568	585,158	9.90%
Gross Income	2,447,119	1,882,105	1,410,741	695,753	490,756	30.02%
Profit Before Income Tax	265,484	63,479	290,905	106,603	(460,285)	318.22%
Net Profit After Tax	223,422	44,745	276,651	99,410	(464,496)	399.32%
Earnings Per Share	8.94	1.79	11.07	3.98	(37.16)	399.32%
Key Ratio Indicators						
Return on Assets	1.81%	0.51%	3.60%	2.06%	(18.12%)	
Return on Equity	9.01%	1.98%	12.51%	5.14%	(79.38%)	
Capital Adequacy Ratio	20.86%	24.08%	28.06%	41.15%	23.00%	
Net Operating Margin	10.33%	10.25%	10.26%	6.11%	(0.73%)	
Operating Cost Ratio	12.21%	13.31%	11.12%	13.51%	22.54%	
Cost to Income Ratio	81.27%	85.87%	65.73%	82.46%	157.51%	
Employee Productivities Ratio	2,088	503	4,256	3,550	(19,354)	
Number of Loans	7,246	5,310	4,529	3,304	5,296	
Number of Staff	107	89	65	28	24	

⁽¹⁾ Change from 2020 to 2021.

HIGHLIGHTS OF 2021

- Assets rose by 39.39% from US\$8,834,515 to US\$12,314,189.
- Loans to customers(net) grew by 48.98% to US\$11,519,026.
- Borrowings from shareholders increased by 48.75% to US\$9,595,086.
- Shareholders' Equity grew by 9.90% from US\$2,255,964 to US\$2,479,386.
- Net profit after tax was US\$223,422.

OPERATION NETWORKS



Number of Offices

11

Number of Provinces
in Operation

6

BAMBOO's OFFICES

HEADQUARTER

Address: Building N° 03, Phnom Penh-Hanoi Friendship Blvd., Phum Rong Chakr, Sangkat Kouk Khleang, Khan Sen Sok, Phnom Penh

E-mail: info@bamboomfi.com

Website: www.bamboomfi.com

Tel: 011 777 173943 367 070/

OPERATION OFFICE

Address: # 10A, Street 598, Village 3, Sangkat Boeung Kak II, Khan Touk Kork, Phnom Penh.

E-mail: info@bamboomfi.com

Website: info@bamboomfi.com

Tel: 931 367 070

ANGK SNUOL DISTRICT BRANCH

Address: National Road N° 4, Angk Snuol Ti Muoy, Peuk Commune,

Angk Snuol District, Kandual Province.

E-mail: info@bamboomfi.com

Website: www.bamboomfi.com

Tel: 070 367 924

KRONG TA KHMAU BRANCH

Address: N° 13, Street N° 115, Phum Ta Kdol, Sangkat Ta Kdol, Krong Ta Khmau, Kandal Province.

E-mail: info@bamboomfi.com

Website: www.bamboomfi.com

Tel: 070 363 849

KAMPONG TRALACH DISTRICT BRANCH

Address: National Road N° 5, Ka At Village, Peani Commune, Kampong Tralach District, Kampong Chhang Province.

E-mail: info@bamboomfi.com

Website: www.bamboomfi.com

Tel: 070 367 876

KHSACH KANDAL DISTRICT BRANCH

Address: N° 13, Street N° 381, Preaek Ta Meak Village, Preaek Ta Meak Commune, Khsach Kandal District, Kandal Province.

E-mail: info@bamboomfi.com

Website: www.bamboomfi.com

Tel: 070 367 954

KAMPONG TRABEAK DISTRICT BRANCH

Address: Street N° 317, Prasat Village, Prasat Commune, Kampong Trabeak District, Prey Veng Province.

E-mail: info@bamboomfi.com

Website: www.bamboomfi.com

Tel: 070 366 700

CHEUNG PREY DISTRICT BRANCH

Address: National Road N° 6, SkonVillage, Soutib Commune, Cheung Prey District, Kampong Cham Province.

E-mail: info@bamboomfi.com

Website: info@bamboomfi.com

Tel: 070 366 400

PONHEA LUEU DISTRICT BRANCH

Address: National Road N° 5, Tep Pranam Village, Vihear Luong Commune, Ponhea Lueu District, Kandal Province.

E-mail: info@bamboomfi.com

Website: info@bamboomfi.com

Tel: 070 259 070

BATI DISTRICT BRANCH

Address: National Road N° 2, Chak Village, Trapeang Sab Commune, Bati District, Takeo Province.

E-mail: info@bamboomfi.com

Website: www.bamboomfi.com

Tel: 070 245 070

TRAM KAK DISTRICT BRANCH

Address: National Road N° 3, Angk Ta Saom Village, Angk Ta Saom Commune, Tram Kak District, Takeo Province.

E-mail: info@bamboomfi.com

Website: www.bamboomfi.com

Tel: 070 433 797

KRONG KAMPONG CHAM BRANCH

Address: N° 95 & 97 E0-E1, Khemarak Phoumint Street, Phum Ti Prampir, Sangkat Kampong Cham, Krong Kampong Cham, Kampong Cham Province.

E-mail: info@bamboomfi.com

Website: www.bamboomfi.com

Tel: 070 768 874

A close-up photograph of bamboo stalks and leaves, with a white rectangular box overlaid on the left side containing the text.

CORPORATE INFORMATION

ABOUT US

Bamboo Finance PLC., (“Bamboo”) was established in Cambodia on March 22, 2015. Bamboo aims to become one of the leading microfinance institutions (MFIs) in Cambodia, with offices in three provinces. Bamboo has been officially recognized by the National Bank of Cambodia and obtained its legal license on May 07, 2015.

Bamboo currently provides its primary service designed to contribute Micro, Small, and Medium-sized financial credits sector which has been under-served by financial institutions.

We aim at the productivity of our clients to enable them to achieve their full potential which has previously been elusive due to the perceived risky nature of providing financial services to the Micro, Small and Medium-sized financial credits.

We achieve this by emphasizing the immense benefits of empowering our clients through a discipline of consistent and deliberate manners to achieve both short-term and long-term goals.

The products we offer will enable our clients to satisfy their needs and to promote their standard of living with a dignified, flourishing, and an adequate quality of their status in life.

OUR VISION AND MISSION

OUR VISION



Bamboo Finance Plc., will shape the Bright future for Cambodia Society as a result of our contribution as a player in the National Financial Field to our customer.

OUR MISSION



Bamboo Finance Plc., will set a goal to be an Excellent Company which is always the best services provider in the National Financial Field, not by its size but its Excellent of Operation.

This report has been prepared and issued by Bamboo Finance Plc., to whom requests for further information should be sent.

Headquarter:

Address: Building N° 03, Phnom Penh-Hanoi Friendship Blvd.,
Phum Rong Chakr, Sangkat Kouk Khleang, Khan Sen Sok, Phnom Penh

Tel: 011 777 173943 367 070/

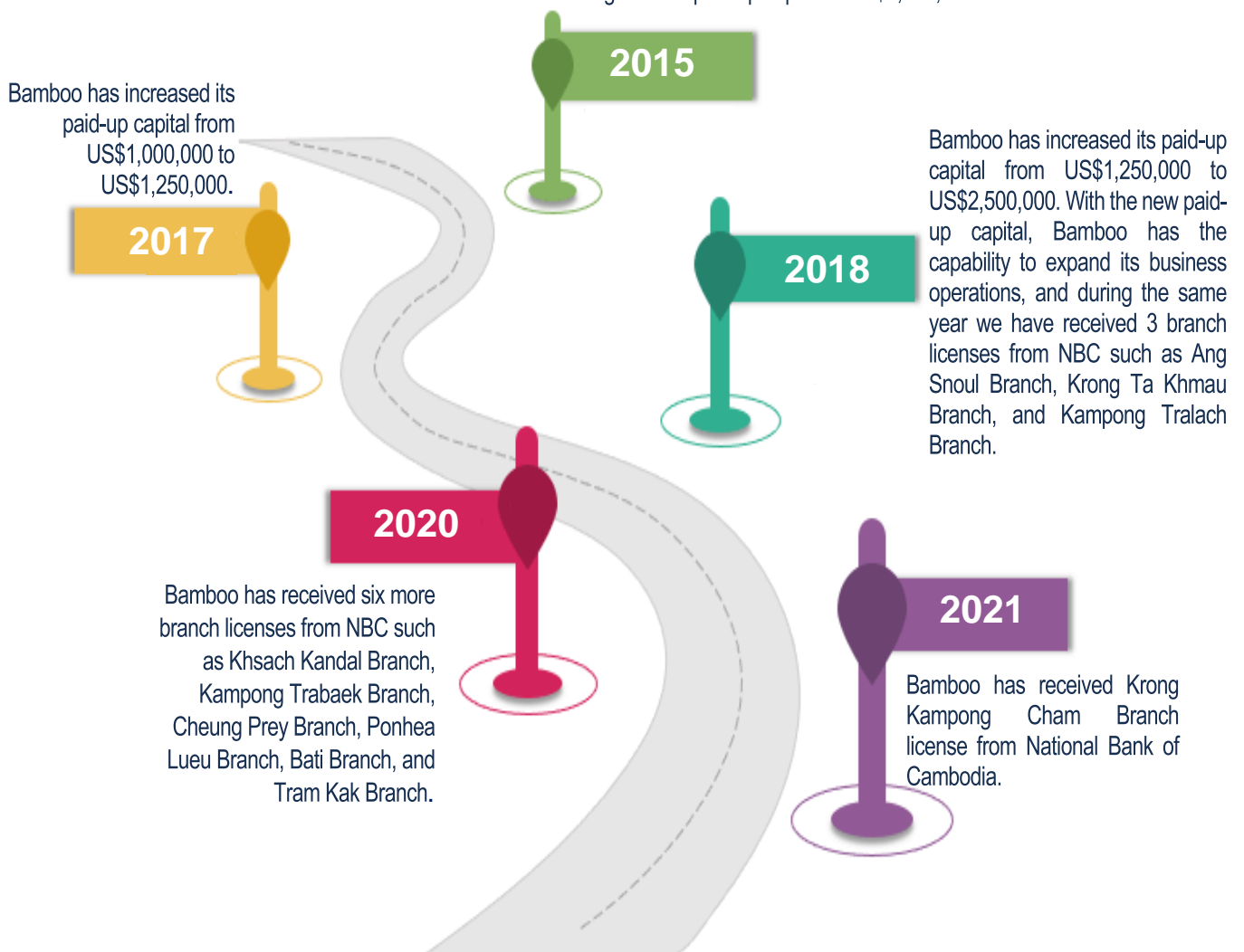
Facebook Page: Bamboo Finance Plc.

E-mail: info@bamboomfi.com

Website: www.bamboomfi.com

COMPANY MILESTONES

Bamboo was registered with the Ministry of Commerce as public limited company on January 29, 2015, and owned by Laksmi Prime Investment Co., Ltd and Hikari Power Hong Kong Ltd with paid-up capital of US\$1,000,000.



MESSAGE FROM THE CEO

“I have the pleasure to present you the Annual Report and Audited Financial Statement for the year end of 31 December 2021.”



2021 has passed, a year that we have had a difficult, unpredictable year as COVID-19 has affected how we work, customers' needs and the priorities for our employees. If we are looking backward and reflect on the past 2021, we will see that the more importance of how we all will lead the company to achieve its goals as we are looking forward to 2022. Despite these uncertainties, we continue to grow and expand our capacities to serve our customers and provide quality projects, build our operating system, and invest in human resources to be more efficient for our businesses to succeed in the market. Therefore, we are ready to prepare for a successful operation in 2022.

For the last two years, we have had a significant impact on our day-to-day operations as we have not changed our overall goal of developing strategies and initiatives to support our vision of a **"Your trusted partner"**.

To support those needs, we will continue to expand our strategy nationwide, providing innovative solutions and complete services to address the overall needs of our customers through our strategy.

Main Achievements in 2021

Bamboo managed to achieve 399 percent year-on-year growth in Net Profit After Tax to reach US\$ 223,422 (2020: US\$44,745) in spite of the outbreak of the COVID-19 pandemic, which impacted economic activities in 2021. This generated the Return on Equity of 9.01 percent and Return on Asset of 1.81 percent.

Total loans outstanding at the end of 2021 were US\$11.61 million increased by 47 percent, while the portion of the portfolio at risk for more than 30 days was only 1.96 percent. The number of borrowers increased by 39 percent to around 7,050. Bamboo provides loans to all kinds of customers and sectors to use for their own business or personal use. Bamboo focuses on customers in suburban areas with low and medium standards of living as well as micro and small business customers who wish to expand their business activities. At the end of 2021, Bamboo has 2,647 female borrowers and 4,403 male borrowers.

This outstanding achievement is the result of adhering to the principles of effective leadership, good governance, integrity, excellence, trustworthiness, as well as high commitment and perseverance.

Finally, I would like to express my sincere thanks to our customers, board of directors, management and staff for their support, hard and smart working and highly committed to performing their work with integrity, ethics, professionalism and accountability in anticipation of happy and prosperous coming years.



KEO Sokha

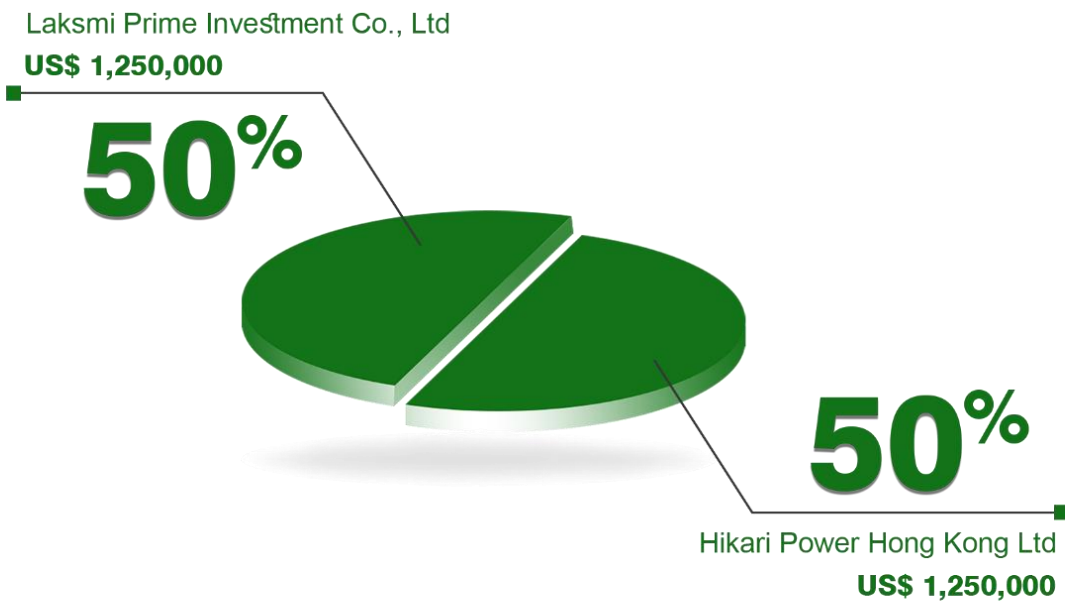
Chief Executive Officer
Bamboo Finance Plc.



BUSINESS REVIEW

SHAREHOLDER

The paid-up capital of the Bamboo Finance Plc. as at 31 December 2021 is US\$2,500,000 with a par value US\$100 per share, and has the structure as follows:



BOARD OF DIRECTORS



The members of the Board of Directors are:

Mr. Yoichi Shiraishi
Oknha LIM Socheat
Mr. Mitsutoki Shigeta
Mr. Na Sothy

Chairman
Director
Director
Independent Director

BOARD OF DIRECTORS



Oknha LIM Socheat is the Board of Directors of Bamboo Finance Plc., the CEO of Laksmi Prime Investment Co., Ltd., and CEO of PCG & Partners, one of Cambodia's financial consulting firms, he also Managing Partner for NAS Co., Ltd.

Prior to joining PCG & Partners and NAS Co., Ltd, he has dedicated over 10 years as the Assistant Manager in Morision Kak & Associates, whom is a member of Morision International.

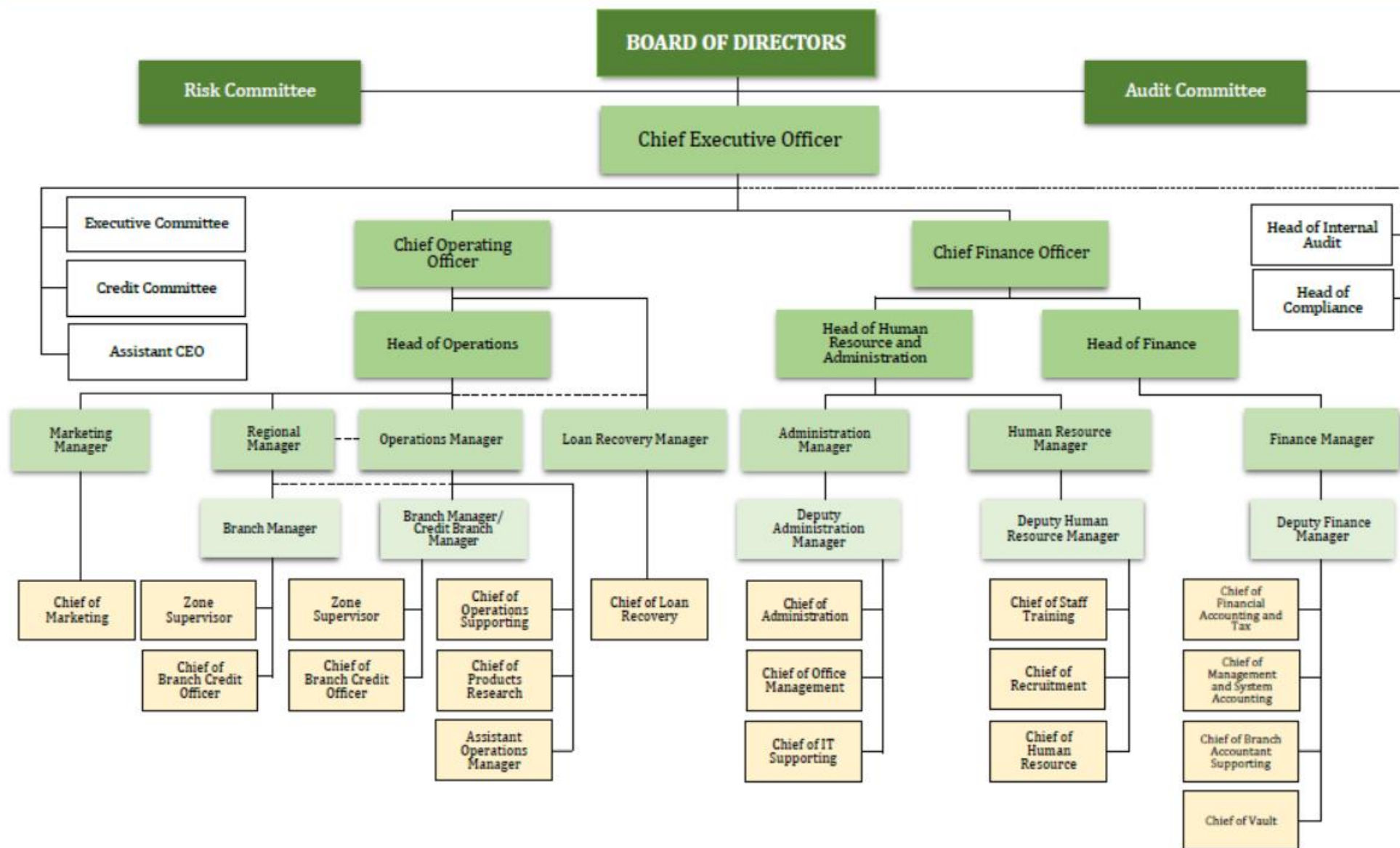
Finally, he has spent over 2 years as the Financial Controller at Leopard Capital (Cambodia) Ltd.

Oknha LIM Socheat has elected to be a Members of Cambodian Chamber of Commerce (CCC), Vice President of Young Entrepreneur Association of Cambodia (YEAC), and Board Members of Cambodia Investors Club (CIC), and other multiple companies. Besides managing business entities, he has contributed most of his precious time in social works.

Oknha LIM Socheat holds Qualification CPA from CPA Australia Ltd., Qualification ACCA from the Association of Chartered Accountants, England, and Master of Science from University of London, England. He earned a Bachelor Degree in Economics from Royal University of Law and Economic (Cambodia).

BAMBOO FINANCE PLC

ORGANIZATION CHART



EXECUTIVE COMMITTEE MEMBERS



Mr. KEO Sokha
Chief Executive Officer

Mr. KEO Sokha is Chief Executive Officer (CEO) of Bamboo Finance Plc., He has begun Bamboo Finance Plc., a career in 2016 as Director of Finance. Under Sokha's leadership, he has developed revolutionary financial strategies and empower the company to grow by restructuring financial operations. Bamboo has expanded year after year, and most importantly, Sokha has been a critical leader in Bamboo's strategy and champion of putting Bamboo's shared values of honesty, integrity, respect, and leadership at the core of every decision powered by a people-driven, customer-focused culture and spirit of innovation. Prior to his job at Bamboo, Sokha has brought over 13 years of experience in the banking sector, his key role across a number of various major positions and responsibilities ranging from as Accountant, Chief of Accountant, Head of Budgeting & Control unit. In addition, he also served as Head of the International Financial Accounting unit, and ASVP of Finance Division. Through his academic, Sokha holds a Master's Degree major in Finance Management in 2008, earned Bachelor's Degree in Economics Major Banking and Finance in 2003, and Diploma in Accounting "Diploma Universitaire Du Comptabilité" in 2000 from Royal University of Law and Economics. He has attended many training courses and workshops related to financial management, Cambodia Accounting Standards (CAS), and Cambodia International Accounting Standards (CIAS).



Mr. OEURN Silen
Chief of Operation Officer

Mr. OEURN Silen has joined Bamboo Finance Plc., as Internal Audit Manager in September 2016. Silen was promoted to Head of Internal Audit in January 2018 to ensure internal audit function is closely aligned with institution best practices in executing the duties across the Bamboo Finance Plc., business and financial operations, works to ensure roles, responsibilities, and results are efficiently coordinated and collectively optimizing the effectiveness of risk management, internal control and governance of the company. In July 2020, Silen was promoted to Chief of Operation Officer to lead and manage credit operation of Bamboo Finance Plc. following growth and business strategy of the MFI. Prior to joining Bamboo Finance, Silen had experiences with ACLEDA Bank Plc, for more than 13 years in various positions related to accounting, risk management and internal audit function. Silen obtained Master Degree in Financial Management in 2012, Bachelor Degree in Enterprise Management in 2003, and Diploma of Accounting in 2000 respectively from Royal University of Laws and Economics in 2012. He has completed many training courses related to Accounting, Management, Administration, Law, Marketing, Taxation and Information Technology.

EXECUTIVE COMMITTEE MEMBERS



Mr. SANG Hong Mov joined Bamboo Finance Plc., as Product Development Director in January 2017. He was appointed as Credit Consultant in June 2018. He is responsible for overall strategies planning, running the day-to-day business of developing and implementing, marketing and communication plans and strategies, and credit controlling including public relations, media relations, on-line giving, digital communications, key messaging, advertising and brand experience. Hong Mov is a member of Bamboo's Executive Management Committee since December 26th, 2017. After his graduation from University he joined ACLEDA Bank Plc. He brings over 10 years of experiences related to finance sector. During the course of his employment at ALEDA Bank Plc., Hong Mov has work various position, as Credit-Officer, Chief Credit Officer and Staff of Trade Finance Analysis. He holds Master Degree of Finance and Banking from Build Bright University in 2009, and obtained Bachelor Degree of Computer Science and Engineering from Royal University of Phnom Penh in 2003.



Mr. TEK Prathna obtained his Master's Degree of Finance and Banking at the Build Bright University in 2008. He received his Bachelor's Degree of Economics Science, majoring in Finance and Baking at Royal University of Law and Economics in 2003. He has attended numerous training courses such as Risk Management and Basel II & III Accord with the support from National Institute of Bank Management - NIBM (India), and several other workshops and training courses in the areas of financial management, risk management, preparing financial reports by CIFRS, CAS and CIAS. He worked with ACLEDA Bank Plc. for over 15 years from 2004 to 2019 with several positions as a credit officer from the start (2003 – 2007), an accountant (2006 – 2009), Assistant Manager of the Management Accounting Unit (2009 – 2012), Manager of the Management Accounting Unit (2012 – 2013), and Assistant Senior Vice President of Finance Division (responsible for management accounting unit) from 2013 to 2018. In 2018, he was promoted to be Vice President and Head of Management Accounting Department. He also worked with Ly Hour PayPro as Head of Finance from 2019 to 2020. Mr. TEK Prathna started working with Bamboo Finance Plc in January 2021 as a Head of Finance till present.



Ms. PROM Chheamantha has joined Bamboo Finance Plc. on February 10, 2020 as Human Resource Manager. As Human Resource Manager, she is responsible for strategic planning in the human resources management, especially in recruiting and training for effectively working with ethical and professional. Moreover, she has been elected as a member of the Executive Committee of Bamboo Finance Plc. on February 10, 2020. Chheamantha has more than 23 years of experiences related to human resource management while working at ACLEDA Bank Plc. She had been as credit officer for three months, cashier for two years, district team leader for five years and branch manager for more than 16 years. Chheamantha holds Bachelor Degree of Management from Phnom Penh International University in 2008 and had attended a short course at Gramming Bank, Bangladesh in 1996.

EXECUTIVE COMMITTEE MEMBERS



Mr. NGOY Mao obtained a Bachelor's Degree in Economics from the Cambodian University for Specialties in 2007 and an Associate Degree in Marketing in 2005. He has attended many training courses and seminars related to banking and finance, management, and marketing in Cambodia. He worked with TPC Cambodia for more than 3 years from 2011-2015 in the position of Credit Officer from 2011-2013 and as Chief Credit Officer from 2013-2015. He also worked at Funan Microfinance Institution as Branch Manager from 2015-2018. He started working with Bamboo Finance Plc in June 2018 as Branch Manager, and then in 2020 he was promoted to Operations Manager until now.



Mr. TEP Sarith obtained his Bachelor's Degree of Teaching English as a foreign language at the Human Resource University in 2018 and Bachelor's Degree of Computer Science and Engineering at Royal University of Phnom Penh in 2014. He has attended numerous training courses such as Practical and Internal Audit Control System, Management and leadership, Professional Accounting skill & Duties responsibilities of Tellers, Protocol, Guiding of Tourism, Galileo Reservation System, Securities Market Securities Business and law enforcement and several other workshops and training courses in the areas of Internal Audit Management and Leadership. He was worked with Japan-Cambodia Training Organization for 3 years from 2003-2008 with position as computer teacher, for 3 years an accountant of Ouchrove District Inspector from 2008-2011 at Banteay Meanchey province, personal business (2011-2013). He was worked with SEDA organization for 3 years from 2013-2016 with several positions as Credit officer for 7 months, Chief of Credit officer for 5 months and he was promoted to be Branch Manager for 2 years. He was worked with Sahaktun Finance PLC. from 2016-2018 with position as Chief of Internal Audit. He had been working with Bamboo in December, 2018 to 2020 with several positions as Supervisor of Internal Audit and Chief of Internal Audit and from the year 2020 until now, he was promoted to be Head of Internal Audit.



Mr. PEN Boran obtained his Received a Bachelor degree of Laws from the Royal University of Law and Economics in 2014. He has attended many training courses related to AML / CFT, he received the Certificate of Education on AML / CFT from ACLEDA Institute and Business in 2018 and the Regulatory Compliance certification of Institute of Banking and Finance in 2019. He worked with the Ministry of Planning for four years from 2013 to 2017 as Data Entry and Data Collector officer. He started working with Bamboo from April 2017 to April 2018 as Administrative Officer, from April 2018 to November 2018 as Internal Audit Officer, from November 2018 to November 2019 as Compliance officer, from November 2019 to February 2021 as Senior Compliance Officer, from February 2021 to February 2022 as Chief of Compliance, and from February 2022 to the present as Head of Compliance.

MANAGEMENT TEAM MEMBERS



The management team members of the Bamboo Finance Plc., from left to right side are as below:

Mr. NGOY Mao
Ms. PROM Chheamantha
Mr. TEP Sarith
Mr. KEO Sokha
Mr. TEK Prathna
Mr. PEN Boran
Mr. OEURN Silen

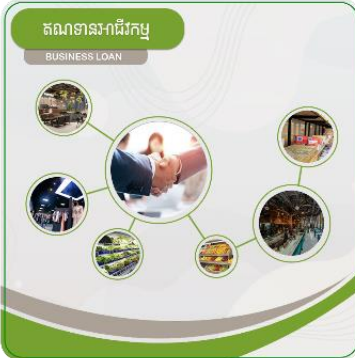
Operation Manager
Head of Human Resource and Administration
Head of Internal Audit
Chief Executive Officer
Head of Finance
Head of Compliance
Chief of Operation Officer

PRODUCTS AND SERVICES



Short-term Loan

This loan has been arranged to enable small retailers and individuals with regular income and have collaterals mainly as movable assets to purchase necessities or consumable items and personal spending in a short period of time. The product was designed to meet the clients' needs such as loans to buy a motorcycle or other items for personal use.



Business Loan

This loan is purposely provided to an individual or business partner who has own business and has franchise agreement with the parent company of the MFI to expand its business via using the loan to buy products to sell to clients with loan.



Personal Loan

Personal loan has been arranged to enable an individual with regular income and need a loan for personal spending. This product mainly provides loans to retailer, company's staff, garment/construction workers, moto-taxi drivers etc., who have immovable assets for collaterals such as houses, lands or shops titled with hypothec contract.



121 Products Loan

This loan has been arranged to provide to individuals who need to buy electronic commodities at 121 shop such as refrigerators, washing machines, air conditioners, irons, fans, televisions...etc.



Staff Loan

This loan is available for staff at all levels, working at the Bamboo Finance Plc, who have full capacity and need the cash to enhance their daily living standards.

OUR PARTNERS

We work together, we grow together, and we fight together with our partners as listed below:

OUR PARENT, RELATED COMPANY, PARTNERS



Laksmi Prime Investment Co., Ltd.



Realtor 168



True Money



Wing



121 Shoppe



Amara Capital



Grassroots



KRUD

Bamboo Finance Plc.'s customers make loan repayments through TrueMoney and Wing network of totally more than 18,000 Cash Xpress outlets in total across Cambodia, saving time and money through ease of access.

លេខកូដទូទាត់
5565 (KHR)
5564 (USD)
 ទូទាត់កម្ចីទៅកាន់ គ្រឹះស្ថានហិរញ្ញវត្ថុ
 បែបបង្កី តាមរយៈ
 គ្រប់ពេលវេលា គ្រប់ទីកន្លែង

ដោយប្រើ WingBank App ពីទូទៅ:

true money

បង់កម្ចីទៅកាន់
 វិថីរថ្ងៃ ហាងនៃ កីឡាស៊ី
 តាមរយៈ ទ្រូម៉ាន់នី

បង់កម្ចីនេះ!

HUMAN RESOURCE DEVELOPMENT



Bamboo Finance's staff were equipped with various kinds of training that has enabled them to improve their skills and capacity to carry out their tasks. New credit officers/staff received an orientation at the head office, where they were trained in the Bamboo's vision, mission, various policies, practices, and then followed by on-the-job training at branch offices or relevant departments where they shadowed existing credit officers/staff, received guidance from Branch Manager/supervisors and got practical lessons from the job. Besides internal trainings, Bamboo also engages with external trainers to deliver customized training courses to staff.

In addition to in-person trainings, Bamboo also provides digital learning option to staff through the zoom trainings where a trainer in one place can connect to participants in different locations. Bamboo's staff also receive regular refresher training by relevant departments at the head office about policies, procedures, technical skills and soft skills.

Bamboo also provides internship opportunities for students in order to help them get knowledge and job experience by learning other skills for a professional career and get job opportunities with Bamboo if they prove to have the capacity.

Training is one of the most important parts of Bamboo's overall strategy and goal.

HUMAN RESOURCE DEVELOPMENT





BAMBOO'S SOCIAL ACTIVITIES

VOLUNTARY BLOOD DONATION EVENT



The management and staff of Bamboo Finance Plc participated in a voluntary blood donation organized by the Union of Youth Federations of Cambodia and the Cambodian Microfinance Association in the campaign **"Save My Life"** on 12 May 2022 under the topic **"One Blood Donor, We Donate 40,000 Riels to Kantha Bopha Hospital"**.

Bamboo Finance Plc continues to support and actively participate in all social activities, and this blood donation is made to contribute to the blood supply to hospitals that need blood every day, as well as to save the lives of victims and people in need of blood.



VOLUNTARY BLOOD DONATION EVENT 



BAMBOO FINANCE PLC.

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
AND
REPORT OF THE INDEPENDENT AUDITORS

Corporate information

Company:	BAMBOO FINANCE PLC.	
Registration No:	00012949	
Registered office:	No. 3, Hanoi Blvd. Phum Roang Chak Sangkat Kork Khleang, Khan Sen Sok Phnom Penh, Kingdom of Cambodia	
Shareholders:	Laksmi Prime Investment Co., Ltd Hikari Power Hong Kong Limited	
Board of Directors:	Mr. Yoichi Shiraishi Mr. Lim Soheat Mr. Mitsutoki Shigeta Mr. Na Sothy	Chairman Director Director Independent Director
Principal bankers:	National Bank of Cambodia ACLEDA Bank Plc. Chief (Cambodia) Commercial Bank Plc Advanced Bank of Asia Limited Prince Bank Plc. Hong Leong Bank Cambodia	
Auditors:	Fii&Associates Co., Ltd.	

Bamboo Finance Plc.

Contents

	Page
1. Report of the Board of Directors	1
2. Report of the Independent Auditors	5
3. Statement of financial position	8
4. Statement of comprehensive income	9
5. Statement of changes in equity	10
6. Statement of cash flows	12
7. Notes to the financial statements	13

Report of the Board of Directors

The Board of Directors (the “Board” or “Directors”) hereby submit their report together with the audited financial statements of Bamboo Finance Plc. (“the Company”) for the year ended 31 December 2021 (the “financial year” or “year”).

Principal activities

The Company’s corporate focus is to provide reliable and affordable access to financial services to micro-entrepreneurs, small, and medium-sized financial credits in the sectors which have been under served by financial institutions. There have been no significant changes in the nature of principal activities during the financial year.

Financial performance

The financial performance of the Company was as follows:

	2021		2020	
	US\$	KHR’000 (Note 2.4)	US\$	KHR’000 (Note 2.4)
Profit before income tax	265,484	1,079,989	63,479	258,804
Income tax expense	(42,062)	(171,108)	(18,734)	(76,379)
Net profit for the year	<u>223,422</u>	<u>908,881</u>	<u>44,745</u>	<u>182,425</u>

Dividends

No dividend was declared or paid and the Directors do not recommend any dividend to be paid during the financial year.

Share capital

The paid-up capital of the Company as at 31 December 2021 is US\$2,500,000 (2020: US\$2,500,000) with a par value US\$100 per share. Refer to Note 14 for the detailed Company’s share capital and shareholding structure.

Reserves and provisions

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

Bamboo Finance Plc.

Report of the Board of Directors (continued)

Bad and doubtful debts

Before the financial statements of the Company were prepared, Directors took reasonable steps to ascertain that action has been taken in relation to the write off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that there were no known bad debts and that allowance need not be made for doubtful debts.

At the date of this report, the Directors are not aware of any circumstances, which would render it necessary to write off bad debts or to make allowance for doubtful debts in the financial statements of the Company, inadequate to any material extent.

Current assets

Before the financial statements of the Company were prepared, the Directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business at their value as shown in the accounting records of the Company have been written down to an amount which they might be expected to realise.

At the date of this report, the Directors are not aware of any circumstances that have arisen the value 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 that have arisen which would render adherence to the existing methods of valuation of assets and liabilities in the financial statements of the Company misleading or inappropriate.

Contingent 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 financial year which secures the liabilities of any other person, or
- (ii) Any contingent liability in respect of the Company that has arisen since the end of the financial period other than in the ordinary course of its business operations.

No contingent or other liability of the Company has become enforceable, or is likely to become enforceable, within the period of 12 months after the end of the financial period which, in the opinion of the Directors, will or may substantially affect the liability of the Company to meet its obligations when they fall due.

Changes of circumstances

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

Report of the Board of Directors (continued)

Items of an unusual nature

The results of the operations of the Company for the financial year were not, in the opinion of the Directors, materially affected by any items, transactions or event of material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of material and unusual nature likely, in the opinion of the Directors, to effect substantially the results of the operations of the Company for the financial year in which this report is made.

Events since the reporting date

At the date of this report, except as disclosed in the financial statements, there have been no significant events occurring after the reporting date which would require adjustments or disclosures to be made in the financial statements.

The Board of Directors

The members of the Board of Directors holding the office during the year and at the date of this report are:

Mr. Yoichi Shiraishi	Chairman
Mr. Lim Socheat	Director
Mr. Mitsutoki Shigeta	Director
Mr. Na Sothy	Independent Director

Directors' interests

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 financial year, no arrangement subsisted to which the Company is a party with the object of enabling Directors of the Company to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Directors of the Company have received or become entitled to receive benefit (other than benefit included in the aggregate amount of emoluments received or due and receivable by Directors) by reason of a contract made by the Company with the Directors or firm of which the director is member, or a Company in which the Directors has a substantial financial interest, other than as disclosed in the financial statements.

Statements of Directors' responsibility in respect of financial statements

The Board of Directors is responsible to ascertain that the financial statements presented 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 Standards for Small and Medium-sized Entities ("CIFRS for SMEs").

Report of the Board of Directors (continued)

Statements of Directors' responsibility in respect of financial statements (continued)

In preparing those financial statements, the Board of Directors is required to:

- (i) adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- (ii) comply with CIFRS for SMEs, if there have been any departures in the interest of true and fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the financial statements;
- (iii) oversee the Company's financial reporting process and maintain adequate accounting records and effective system of internal control;
- (iv) assess 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so; and
- (v) effectively control and direct the Company in all material decisions affecting the operations and performance and ascertain that such has been properly reflected in the financial statements.

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

Approval of the financial statements

The Board of Directors hereby approve the accompanying financial statements as set out on pages 8 to 39 which present fairly, in all material respects, the financial position of Bamboo Finance Plc. as at 31 December 2021, and its financial performance and its cash flows for the year then ended, in accordance with CIFRS for SMEs.

Signed in accordance with a resolution of the Board of Directors.



Mr. Lim Socheat
Director

Phnom Penh, Kingdom of Cambodia
Date: 21 April 2022

Report of the Independent Auditors

To the shareholders

Bamboo Finance Plc.

Opinion

We have audited the financial statements of Bamboo Finance Plc. (“the “Company”), which comprise the statement of financial position as at 31 December 2021, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information as set out on pages 8 to 39.

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 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 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.

Other Information

Management is responsible for the other information. The other information obtained at the date of this auditors’ report is the information included in the Report of the Board of Directors as set out on pages 1 to 4, 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 and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information 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 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.

Report of the Independent Auditors (continued)

To the shareholders

Bamboo Finance Plc.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with CIFRS for SMEs, and for such internal control as management 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's reporting process.

Auditors' Responsibility 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 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 management.

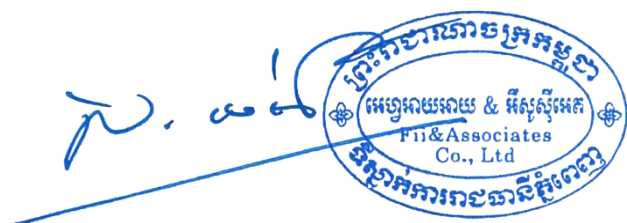
Report of the Independent Auditors (continued)
To the shareholders
Bamboo Finance Plc.

Auditors' Responsibility for the Audit of the Financial Statements (continued)

- Conclude on the appropriateness of management 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 audit 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 date of our auditor's report. However, future events or condition 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 disclosure, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

For **Fii&Associates Co., Ltd.**



Seng Chanthan
Audit Partner

Phnom Penh, Kingdom of Cambodia

Date: 21 April 2022

Bamboo Finance Plc.

Statement of financial position as at 31 December 2021

	Note	2021		2020	
		US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
ASSETS					
Cash on hand	4	21,119	86,039	69,598	281,524
Deposits and placements with the NBC	5	132,101	538,179	132,058	534,175
Deposits and placements with banks	6	323,467	1,317,805	575,364	2,327,347
Loans to customers	7	11,519,026	46,928,512	7,731,692	31,274,694
Other assets	8	249,361	1,015,897	260,714	1,054,587
Property and equipment	9	53,879	219,503	48,627	196,696
Intangible assets	10	15,236	62,071	16,462	66,589
TOTAL ASSETS		12,314,189	50,168,006	8,834,515	35,735,612
LIABILITIES AND EQUITY					
Liabilities					
Other payables	11	219,778	895,376	126,284	510,819
Current income tax liability	12.1	19,939	81,231	1,614	6,529
Borrowings from shareholders	13	9,595,086	39,090,380	6,450,653	26,092,891
Total liabilities		9,834,803	40,066,987	6,578,551	26,610,239
Equity					
Share capital	14	2,500,000	10,000,000	2,500,000	10,000,000
Regulatory reserves	15	173,631	707,373	72,781	294,399
Accumulated losses		(194,245)	(762,304)	(316,817)	(1,260,927)
Currency translation differences		-	155,950	-	91,901
Total equity		2,479,386	10,101,019	2,255,964	9,125,373
TOTAL LIABILITIES AND EQUITY		12,314,189	50,168,006	8,834,515	35,735,612

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

Bamboo Finance Plc.

Statement of comprehensive income for the year ended 31 December 2021

	Note	2021		2020	
		US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Interest income	16	2,394,899	9,742,449	1,832,791	7,472,289
Interest expense	17	(1,001,251)	(4,073,089)	(744,449)	(3,035,119)
Net interest income		<u>1,393,648</u>	<u>5,669,360</u>	<u>1,088,342</u>	<u>4,437,170</u>
Other income	18	52,220	212,431	49,314	201,053
Total operating income		<u>1,445,868</u>	<u>5,881,791</u>	<u>1,137,656</u>	<u>4,638,223</u>
Personnel expenses	19	(893,527)	(3,634,868)	(667,823)	(2,722,714)
Impairment losses on loans to customers	7	(5,326)	(21,666)	(97,264)	(396,545)
Depreciation and amortisation	20	(26,238)	(106,736)	(23,078)	(94,089)
General and administrative expenses	21	(255,293)	(1,038,532)	(286,012)	(1,166,071)
Profit before income tax		<u>265,484</u>	<u>1,079,989</u>	<u>63,479</u>	<u>258,804</u>
Income tax expense	12.2	(42,062)	(171,108)	(18,734)	(76,379)
Net profit for the year		<u>223,422</u>	<u>908,881</u>	<u>44,745</u>	<u>182,425</u>
Other comprehensive income/(loss)					
Currency translation differences		-	66,765	-	(67,767)
Total comprehensive income for the year		<u>223,422</u>	<u>975,646</u>	<u>44,745</u>	<u>114,658</u>

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

Bamboo Finance Plc.

Statement of changes in equity for the year ended 31 December 2021

	Share capital		Regulatory reserves		Accumulated losses		Currency translation differences		Total	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
	(Note 2.4)		(Note 2.4)		(Note 2.4)		(Note 2.4)		(Note 2.4)	
At 1 January 2020	2,500,000	10,000,000	81,530	328,457	(370,311)	(1,479,022)	-	161,280	2,211,219	9,010,715
Comprehensive income for the year										
Net profit for the year	-	-	-	-	44,745	182,425	-	-	44,745	182,425
Transfers	-	-	(8,749)	(35,670)	8,749	35,670	-	-	-	-
Other comprehensive income										
Currency translation differences	-	-	-	1,612	-	-	-	(69,379)	-	(67,767)
Total comprehensive income for the year	-	-	(8,749)	(34,058)	53,494	218,095	-	(69,379)	44,745	114,658
At 31 December 2020	2,500,000	10,000,000	72,781	294,399	(316,817)	(1,260,927)	-	91,901	2,255,964	9,125,373

Bamboo Finance Plc.

Statement of changes in equity (continued) for the year ended 31 December 2021

	Share capital		Regulatory reserves		Accumulated losses		Currency translation differences		Total	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
	(Note 2.4)		(Note 2.4)		(Note 2.4)		(Note 2.4)		(Note 2.4)	
At 1 January 2021	2,500,000	10,000,000	72,781	294,399	(316,817)	(1,260,927)	-	91,901	2,255,964	9,125,373
Comprehensive income for the year										
Net profit for the year	-	-	-	-	223,422	908,881	-	-	223,422	908,881
Transfers	-	-	100,850	410,258	(100,850)	(410,258)	-	-	-	-
Other comprehensive income										
Currency translation differences	-	-	-	2,716	-	-	-	64,049	-	66,765
Total comprehensive income for the year	-	-	100,850	412,974	122,572	498,623	-	64,049	223,422	975,646
At 31 December 2021	2,500,000	10,000,000	173,631	707,373	(194,245)	(762,304)	-	155,950	2,479,386	10,101,019

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

Bamboo Finance Plc.

Statement of cash flows for the year ended 31 December 2021

	2021		2020	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Cash flows from operating activities				
Net profit for the year	223,422	908,881	44,745	182,425
<i>Adjustments for:</i>				
Income tax expense	42,062	171,108	18,734	76,379
Impairment losses on loans to customers	5,326	21,666	97,264	396,545
Depreciation and amortisation	26,238	106,736	23,078	94,089
Write-off of property and equipment	78	317	-	-
	<u>297,126</u>	<u>1,208,708</u>	<u>183,821</u>	<u>749,438</u>
Changes in:				
Loans to customers	(3,792,660)	(15,428,541)	(884,057)	(3,604,300)
Other assets	11,353	46,184	(150,242)	(612,537)
Other payables	93,494	380,334	(20,477)	(83,485)
Cash used in operations	<u>(3,390,687)</u>	<u>(13,793,315)</u>	<u>(870,955)</u>	<u>(3,550,884)</u>
Income tax paid	(23,737)	(96,562)	(18,550)	(75,628)
Net cash used in operating activities	<u>(3,414,424)</u>	<u>(13,889,877)</u>	<u>(889,505)</u>	<u>(3,626,512)</u>
Cash flows from investing activities				
Purchase of property and equipment	(29,451)	(119,807)	(39,812)	(162,314)
Purchase of intangible assets	(891)	(3,625)	(6,590)	(26,867)
Proceeds from disposals of property and equipment	-	-	466	1,900
Net cash used in investing activities	<u>(30,342)</u>	<u>(123,432)</u>	<u>(45,936)</u>	<u>(187,281)</u>
Cash flows from financing activities				
Proceeds of borrowings from shareholders	3,444,433	14,011,953	1,120,998	4,570,309
Repayments of borrowings to shareholders	(300,000)	(1,220,400)	-	-
Net cash generated from financing activities	<u>3,144,433</u>	<u>12,791,553</u>	<u>1,120,998</u>	<u>4,570,309</u>
Net (decrease)/increase in cash and cash equivalents	(300,333)	(1,221,756)	185,557	756,516
Cash and cash equivalents at 1 January	652,020	2,637,421	466,463	1,900,836
Currency translation differences	-	17,108	-	(19,931)
Cash and cash equivalents at 31 December (Note 22)	<u>351,687</u>	<u>1,432,773</u>	<u>652,020</u>	<u>2,637,421</u>

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

Bamboo Finance Plc.

Notes to the financial statements for the year ended 31 December 2021

1. Reporting entity

Bamboo Finance Plc. (“the Company”) is a public limited company incorporated in Cambodia under registration number 00012949 (original number Co. 0419 E/2015) issued by the Ministry of Commerce on 29 January 2015. The Company obtained its license from the National Bank of Cambodia (“NBC”) to operate as a micro-finance institution on 7 May 2015.

The Company’s corporate focus is on providing reliable and affordable access to financial services to micro-entrepreneurs, Small, and Medium-sized financial credits in the sectors which have been under served by financial institutions.

The Company’s head office is located at No. 3, Hanoi Blvd. Phum Roang Chak, Sangkat Kork Khleang, Khan Sen Sok, Phnom Penh, Kingdom of Cambodia.

As at 31 December 2021, the Company had 107 employees (2020: 89 employees)

2. Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with Cambodian International Financial Reporting Standards for Small and Medium-sized Entities (“CIFRS for SMEs”).

Details of the Company’s significant accounting policies are included in Note 27.

These financial statements were approved by the Board of Directors and authorised for issue on 21 April 2022.

2.2 Fiscal year and reporting period

The Company’s fiscal year starts on 1 January and ends on 31 December.

2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis.

2.4 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 in two currencies, the United States Dollars (“US\$”) and the Khmer Riel (“KHR”), management has determined the US\$ to be the Company’s functional and presentation currency as it reflects the economic substance of the underlying events and circumstances of the Company.

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2021

2. Basis of preparation (continued)

2.4 Functional and presentation currency (continued)

The financial statements are stated in the United States Dollars (“US\$”), which is the Company’s functional currency. All amounts have been rounded to the nearest dollars, unless otherwise indicated.

The translations of United States Dollars amount into Khmer Riel (“KHR”) are included solely for meeting the presentation requirements pursuant to the Law on Accounting and Auditing.

Assets and liabilities are translated at the closing rate as at the reporting date, and the share capital are translated at the historical rate. The statements of comprehensive income and cash flows are translated into KHR using the average rate for the year. Exchange differences arising from the translation are recognised as “currency translation difference” in the other comprehensive income. The accumulative currency translation differences are recognised as a separate component of equity. All values in KHR are rounded to the nearest thousand (“KHR’000”), except if otherwise indicated.

The Company uses the following exchange rates:

Reporting date	Closing rate	Average rate
31 December 2021	US\$1=KHR4,074	US\$1=KHR4,068
31 December 2020	US\$1=KHR4,045	US\$1=KHR4,077

These convenience translations should not be construed as representations that the US\$ amounts have been, could have been, or could in the future be, converted into KHR at this or any other rate of exchange.

2.5 Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, and income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment during the year ended 31 December 2021 is set out in Note 3 - Critical accounting estimates and judgements.

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2021

3. Critical accounting estimates and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of failure events that are believed to be reasonable under the circumstances. The estimates, assumptions and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

3.1 Income and other taxes

Taxes are calculated on the basis of current interpretation of the tax obligations. However, these regulations are subject to periodic variation and different interpretation following inspection by the tax authorities. These may result in tax increase and other retroactive tax claims. It is difficult to predict the timing and severity of these occurrences or their potential effect.

3.2 Property and equipment

Accounting for property and equipment involves the use of estimates for determining the expected useful lives of these assets. The determination of useful lives of the assets is based on Management's judgement.

3.3 Allowance for doubtful debts

Management establishes allowance for doubtful debts on a case-by-case basis when they believe collection of amounts owed is unlikely to occur. In establishing these allowances, the management considers its historical experience and changes to its customers' financial position. If the financial condition of customer were deteriorating, resulting in inability to make the required payments, allowance may be required to be made for such receivable.

4. Cash on hand

	2021		2020	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
US Dollars	15,245	62,108	54,257	219,470
Khmer Riels	5,874	23,931	15,341	62,054
	<u>21,119</u>	<u>86,039</u>	<u>69,598</u>	<u>281,524</u>

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2021

5. Deposits and placements with the NBC

	2021		2020	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Capital guarantee (*)	125,000	509,250	125,000	505,625
Current account	7,101	28,929	7,058	28,550
	<u>132,101</u>	<u>538,179</u>	<u>132,058</u>	<u>534,175</u>

- (*) The capital guarantee deposit is maintained with the NBC in compliance with Prakas No. B7-00-006 on the Licensing of Microfinance Institution dated 11 January 2000, the amounts of which are determined at 5% of the Company's registered share capital. The guarantee deposit is refundable when the Company voluntarily liquidates and has no deposit liabilities.

The capital guarantee deposit earns interest at 0.04% per annum. Current account is non-interest bearing.

5. Deposits and placements with banks

	2021		2020	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Current accounts	285,606	1,163,559	370,011	1,496,694
Saving accounts	37,861	154,246	205,353	830,653
	<u>323,467</u>	<u>1,317,805</u>	<u>575,364</u>	<u>2,327,347</u>

Current and savings accounts are non-interest bearing.

6. Loans to customers

	2021		2020	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Loans to customer at amortised costs	11,605,539	47,280,966	7,874,580	31,852,676
Less: impairment loss allowance	(86,513)	(352,454)	(142,888)	(577,982)
	<u>11,519,026</u>	<u>46,928,512</u>	<u>7,731,692</u>	<u>31,274,694</u>

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2021

7. Loans to customers (continued)

Movements of impairment loss allowance are as follows:

	2021		2020	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
At 1 January	142,888	577,982	211,158	860,469
Allowance for the year	5,326	21,666	97,264	396,545
Reversals	(190)	(773)	(3,389)	(13,817)
Written off during the year	(61,511)	(250,227)	(162,145)	(661,065)
Currency translation difference	-	3,806	-	(4,150)
At 31 December	86,513	352,454	142,888	577,982

Gross loans to customers are analysed as follows:

(a) By collateral:

	2021		2020	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Secured	11,551,052	47,058,986	7,615,332	30,804,018
Unsecured	54,487	221,980	259,248	1,048,658
	11,605,539	47,280,966	7,874,580	31,852,676

(b) By residency:

All loans are granted solely to residents.

(c) By economic sector:

	2021		2020	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Manufacturing	3,482,524	14,187,803	2,248,628	9,095,700
Service	3,476,151	14,161,839	1,751,172	7,083,491
Trade and Commerce	1,651,558	6,728,447	1,416,631	5,730,272
Construction	2,328,807	9,487,560	1,338,936	5,415,996
Transportation	197,614	805,079	233,865	945,984
Agriculture	253,773	1,033,871	182,210	737,039
Other categories	215,112	876,367	703,138	2,844,194
	11,605,539	47,280,966	7,874,580	31,852,676

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2021

7. Loans to customers (continued)

Gross loans to customers are analysed as follows (continued):

(d) By maturity:

	2021		2020	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Less than 1 year	1,173,073	4,779,100	1,631,735	6,600,368
1 to 5 years	10,432,466	42,501,866	6,206,452	25,105,098
More than 5 years	-	-	36,393	147,210
	<u>11,605,539</u>	<u>47,280,966</u>	<u>7,874,580</u>	<u>31,852,676</u>

(e) By currency:

	2021		2020	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
US Dollars	10,428,109	42,484,116	6,779,658	27,423,717
Khmer Riel	1,177,430	4,796,850	1,094,922	4,428,959
	<u>11,605,539</u>	<u>47,280,966</u>	<u>7,874,580</u>	<u>31,852,676</u>

(f) By relationship:

	2021		2020	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
External customers	11,478,955	46,765,263	7,741,536	31,314,513
Staff loans	126,584	515,703	133,044	538,163
	<u>11,605,539</u>	<u>47,280,966</u>	<u>7,874,580</u>	<u>31,852,676</u>

(g) By interest rate (per annum):

	2021	2020
Khmer Riels	12.00% - 18.00%	15.60% - 18.00%
US Dollars	13.00% - 18.00%	12.00% - 18.00%

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2021

8. Other assets

	2021		2020	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Receivables from payment service provider	35,204	143,421	56,657	229,178
Receivable from employee	31,118	126,775	51,666	208,989
Security deposit	49,690	202,437	46,651	188,703
Prepayments	6,134	24,990	14,851	60,072
Others	127,215	518,274	90,889	367,645
	<u>249,361</u>	<u>1,015,897</u>	<u>260,714</u>	<u>1,054,587</u>

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2021

9. Property and equipment

31 December 2021	Leasehold improvements US\$	Furniture and fixtures US\$	Computer equipment US\$	Office equipment US\$	Vehicles US\$	Total US\$	KHR'000 (Note 2.4)
Cost							
At 1 January 2021	37,986	20,473	31,381	11,805	8,150	109,795	444,121
Additions	17,488	2,285	17,114	615	-	37,502	152,558
Disposals	-	-	(1,605)	-	(1,950)	(3,555)	(14,462)
Adjustments	(4,886)	-	(2,548)	(615)	(2)	(8,051)	(32,751)
Currency translation difference	-	-	-	-	-	-	3,339
At 31 December 2021	50,588	22,758	44,342	11,805	6,198	135,691	552,805
Less: Accumulated depreciation							
At 1 January 2021	14,645	13,169	24,923	4,698	3,733	61,168	247,425
Depreciation for the year	9,545	3,180	9,681	2,822	1,731	26,959	109,669
Disposals	-	-	(1,528)	-	(1,949)	(3,477)	(14,144)
Adjustments	(101)	-	(2,474)	(261)	(2)	(2,838)	(11,545)
Currency translation difference	-	-	-	-	-	-	1,897
At 31 December 2021	24,089	16,349	30,602	7,259	3,513	81,812	333,302
Carrying amounts							
At 31 December 2021	26,499	6,409	13,740	4,546	2,685	53,879	219,503

Bamboo Finance Plc.

**Notes to the financial statements (continued)
for the year ended 31 December 2021**

9. Property and equipment (continued)

31 December 2020	Leasehold improvements US\$	Furniture and fixtures US\$	Computer equipment US\$	Office equipment US\$	Vehicles US\$	Total US\$	KHR'000 (Note 2.4)
Cost							
At 1 January 2020	14,974	15,500	22,654	9,205	8,150	70,483	287,218
Additions	23,012	4,973	8,727	3,100	-	39,812	162,314
Written off	-	-	-	(500)	-	(500)	(2,039)
Currency translation difference	-	-	-	-	-	-	(3,372)
At 31 December 2020	37,986	20,473	31,381	11,805	8,150	109,795	444,121
Less: Accumulated depreciation							
At 1 January 2020	7,718	9,226	18,718	2,446	1,692	39,800	162,185
Charge for the year	6,924	3,942	6,203	2,294	2,039	21,402	87,256
Adjustments	3	1	2	1	2	9	37
Written off	-	-	-	(43)	-	(43)	(175)
Currency translation difference	-	-	-	-	-	-	(1,878)
At 31 December 2020	14,645	13,169	24,923	4,698	3,733	61,168	247,425
Carrying amounts							
At 31 December 2020	23,341	7,304	6,458	7,107	4,417	48,627	196,696

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2021

10. Intangible assets

	2021		2020	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Cost				
At 1 January	21,190	85,714	14,600	59,495
Addition	891	3,625	6,590	26,867
Currency translation difference	-	619	-	(648)
At 31 December	22,081	89,958	21,190	85,714
Less: Accumulated amortisation				
At 1 January	4,728	19,125	3,052	12,437
Change for the year	2,117	8,612	1,676	6,833
Currency translation difference	-	150	-	(145)
At 31 December	6,845	27,887	4,728	19,125
Carrying amounts				
At 31 December	15,236	62,071	16,462	66,589

11. Other payables

	2021		2020	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Accrued expenses	118,714	483,641	45,437	183,793
Payable to 121 Shoppe	20,040	81,643	14,860	60,109
Withholding tax payable	11,627	47,368	9,658	39,067
Other liabilities	69,397	282,724	56,329	227,850
	219,778	895,376	126,284	510,819

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2021

12. Income tax

12.1 Current income tax liability

	2021		2020	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
At 1 January	1,614	6,529	1,430	5,827
Current income tax expense	42,062	171,108	18,734	76,379
Income tax paid	(23,737)	(96,562)	(18,550)	(75,628)
Currency translation difference	-	156	-	(49)
At 31 December	19,939	81,231	1,614	6,529

12.2 Income tax expense

In accordance with Cambodian Law on Taxation, the Company has an obligation to pay corporate income tax of either the profit tax at the rate of 20% of taxable profits or the minimum tax at 1% of gross revenues, whichever is higher.

	2021		2020	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Current income tax	42,062	171,108	18,734	76,379

The reconciliation of income tax expense computed at the statutory tax rate to the income tax expense shown in the statement of comprehensive income is as follows:

	2021		2020	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Profit before income tax	265,484	1,079,989	63,479	258,804
Income tax using income tax rate at 20%	53,097	215,998	12,696	51,761
Non-deductible expenses	571	2,323	2,447	9,976
Temporary differences	4,004	16,288	239	974
Utilisation of previously unrecognised tax loss	(15,610)	(63,501)	(17,063)	(69,566)
Unrecognised deferred tax	-	-	1,370	5,585
Minimum tax	-	-	18,734	76,379
Others	-	-	311	1,270
Income tax expense	42,062	171,108	18,734	76,379

The calculation of taxable income is subject to the review and approval of the tax authorities.

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2021

13. Borrowings from shareholders

Borrowings from shareholders comprise of:

	2021		2020	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Principal outstanding	9,459,500	38,538,003	6,359,500	25,724,178
Accrued interest payable	135,586	552,377	91,153	368,713
	<u>9,595,086</u>	<u>39,090,380</u>	<u>6,450,653</u>	<u>26,092,891</u>

Movement of outstanding principal of borrowings from shareholders follows:

	2021		2020	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
As at 1 January	6,359,500	25,724,178	5,259,500	21,432,463
Additions	3,400,000	13,831,200	1,100,000	4,484,700
Repayment	(300,000)	(1,220,400)	-	-
Currency translation difference	-	203,025	-	(192,985)
As at 31 December	<u>9,459,500</u>	<u>38,538,003</u>	<u>6,359,500</u>	<u>25,724,178</u>

The above borrowings are analysed as follows:

(a) By maturity:

	2021		2020	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Current	-	-	-	-
Non-current	9,595,086	39,090,380	6,450,653	26,092,891
	<u>9,595,086</u>	<u>39,090,380</u>	<u>6,450,653</u>	<u>26,092,891</u>

The repayments of interest are made on a quarterly basis based on the repayment schedule for each of the borrowing agreements. Borrowings from Hikari Power Hong Kong Limited ("HPHKL") have maturity from 2032 and 2035.

(b) By interest rate (per annum):

	2021	2020
Annual interest rate	<u>10%</u>	<u>10%</u>

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2021

14. Share capital

	Number	2021		Number	2020	
		US\$	KHR'000 (Note 2.4)		US\$	KHR'000 (Note 2.4)
Registered:						
Ordinary shares of US\$100 each	25,000	2,500,000	10,000,000	25,000	2,500,000	10,000,000
Paid-up:						
Ordinary shares of US\$100 each	25,000	2,500,000	10,000,000	25,000	2,500,000	10,000,000

The paid-up capital of the Company as at 31 December 2021 is US\$2,500,000 (2020: US\$2,500,000) with a par value US\$100 per share.

The Company's share capital and shareholding structure are as follows:

	2021			2020		
	% of Ownership	Number of shares	Amount US\$	% of Ownership	Number of shares	Amount US\$
LPI	50%	12,500	1,250,000	50%	12,500	1,250,000
HPHKL	50%	12,500	1,250,000	50%	12,500	1,250,000
	100%	25,000	2,500,000	100%	25,000	2,500,000

15. Regulatory reserves

	2021		2020	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Regulatory reserves(*)	173,631	707,373	72,781	294,399

(*) Regulatory reserves:

	2021		2020	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
At 1 January	72,781	294,399	81,530	328,457
Transfers	100,850	410,258	(8,749)	(35,670)
Currency translation difference	-	2,716	-	1,612
At 31 December	173,631	707,373	72,781	294,399

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2021

15. Regulatory reserves (continued)

Transfer from retained earnings to reserve pertaining to impairment during the year when the provision under NBC requirement is higher than CIFRS for SMEs:

	2021		2020	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Impairment on credit facilities required by the NBC				
- Deposits and placements with banks	3,235	13,180	5,754	23,275
- Loans to customers	256,909	1,046,647	209,915	849,106
Impairment loss on financial assets under the NBC	260,144	1,059,827	215,669	872,381
Impairment loss on financial assets under CIFRS for SMEs (Note 7)	86,513	352,454	142,888	577,982
	<u>173,631</u>	<u>707,373</u>	<u>72,781</u>	<u>294,399</u>

16. Interest income

	2021		2020	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Loans to customers	2,394,224	9,739,703	1,829,451	7,458,672
Balances with the NBC and other banks	675	2,746	3,340	13,617
	<u>2,394,899</u>	<u>9,742,449</u>	<u>1,832,791</u>	<u>7,472,289</u>

17. Interest expense

This represents interest expenses on borrowings from shareholders (Note 13).

18. Other income

	2021		2020	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Penalty income	16,529	67,240	9,011	36,738
Other income - net	43,397	176,539	11,726	47,807
Foreign exchange gain (loss) - net	(7,706)	(31,348)	28,577	116,508

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2021

52,220	212,431	49,314	201,053
--------	---------	--------	---------

19. Personnel expenses

	2021		2020	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Salaries and wages	665,049	2,705,419	531,432	2,166,648
Other short-term benefits	228,478	929,449	136,391	556,066
	<u>893,527</u>	<u>3,634,868</u>	<u>667,823</u>	<u>2,722,714</u>

20. Depreciation and amortisation

	2021		2020	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Depreciation (Note 9)	24,121	98,124	21,402	87,256
Amortisation (Note 10)	2,117	8,612	1,676	6,833
	<u>26,238</u>	<u>106,736</u>	<u>23,078</u>	<u>94,089</u>

21. General and administrative expenses

	2021		2020	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Rental fees	88,953	361,861	72,025	293,646
Office supplies	31,867	129,635	27,049	110,279
Professional fees	18,184	73,973	26,030	106,124
Transportation and travelling	8,105	32,971	25,313	103,201
Taxes and licenses	15,808	64,307	13,886	56,613
Utilities	14,118	57,432	12,678	51,688
Communication	12,349	50,236	11,781	48,031
Repairs and maintenance	14,045	57,135	8,587	35,009
Membership and service fees	7,978	32,455	6,906	28,156
Advertising and marketing	2,858	11,626	6,093	24,841
Bank charges	2,372	9,649	2,470	10,070
Donation	-	-	1,002	4,085
Commission	396	1,611	327	1,333
Others	38,260	155,641	71,865	292,995
	<u>255,293</u>	<u>1,038,532</u>	<u>286,012</u>	<u>1,166,071</u>

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2021

22. Cash and cash equivalents

	2021		2020	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Cash on hand (Note 4)	21,119	86,039	69,598	281,524
Deposits and placements with the NBC (Note 5)	7,101	28,929	7,058	28,550
Deposits and placements with banks (with maturities of 3 months or less) (Note 6)	323,467	1,317,805	575,364	2,327,347
	<u>351,687</u>	<u>1,432,773</u>	<u>652,020</u>	<u>2,637,421</u>

23. Related party transactions

Significant transactions with related parties during the year were as follows:

		2021		2020	
		US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
LPI	Interest expense	8,122	33,040	-	-
	Proceeds from borrowings	300,000	1,220,400	-	-
	Repayment of borrowings	(300,000)	(1,220,400)	-	-
HPHKL	Interest expense	993,129	4,040,049	744,449	3,035,119
	Long-term borrowings	9,459,500	38,538,003	6,359,500	25,724,178
	Accrued interest payable	135,586	552,377	91,153	368,713

Compensation of key management personnel

The Company considers as key management personnel all employees holding managerial positions up to Chairman. The short-term and long-term benefits of key management personnel of the Company amounted to US\$195,244 (KHR794,182 thousands) and US\$294,912 (KHR1,202,356 thousands) in 2021 and 2020, respectively.

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2021

24. Lease commitments

The Company has commitments in respect of the lease of buildings under an operating lease arrangement, with future minimum rental amounts as follows:

	2021		2020	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Not later than 1 year	116,748	475,631	56,244	227,507
Later than 1 year but less than 5 years	122,663	499,729	137,361	555,625
Later than 5 years	28,848	117,527	107,080	433,138
	<u>268,259</u>	<u>1,092,887</u>	<u>300,685</u>	<u>1,216,270</u>

25. Tax contingencies

Taxes are subject to review and investigation by a number of authorities, who are enabled by law to impose severe fines, penalties and interest charges. The application of tax laws and regulations to many types of transactions are susceptible to varying interpretations.

These facts may create tax risks in Cambodia substantially more significant than in other countries. Management believes that it has adequately provided for tax liabilities based on its interpretation of tax legislation. However, the relevant authorities may have different interpretations and the effects could be significant.

26. Significant event

Impact of Novel Coronavirus Outbreak to the Company

Since January 2020, the outbreak of Novel Coronavirus ("COVID-19") has impact on the global as well as Cambodia business environment. The Company has been keeping continuous attention on the situation of the COVID-19 and react actively to its impact on the financial position and operating results of the Company.

27. Significant accounting policies

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

27.1 Basis of aggregation

The Company's financial statements comprise the financial statements of the head office and its branches. All inter-branch balances and transactions have been eliminated.

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2021

27. Significant accounting policies (continued)

27.2 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits with banks and other highly liquid investments with original maturities of three months or less and that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Cash and cash equivalents are carried at amortised cost using the effective interest method in the statement of financial position.

27.3 Deposits and placements with banks

Deposits and placements with banks are carried at amortised cost using the effective interest method in the statement of financial position.

27.4 Deposits and placements with the NBC

Deposits and placements with the NBC, including capital guarantee deposit, are carried at amortised cost using the effective interest method in the statement of financial position.

Capital guarantee deposit is maintained in compliance with the Cambodian Law on Banking and Financial Institutions and are determined by defined percentages of minimum share capital as required by the NBC. Capital guarantee is not available to finance the Company's day-to-day operations hence are not considered as part of cash and cash equivalents for the purpose of the statement of cash flows.

27.5 Loan to customers

Loans to customers are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Company does not intend to sell immediately or in the near term.

Loans to customers are initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method.

27.6 Other assets

Other assets are carried at amortised cost using the effective interest method in the statement of financial position.

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2021

27. Significant accounting policies (continued)

27.7 Property and equipment

(i) *Recognition and measurement*

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains or losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognised net within other income in profit or loss.

(ii) *Subsequent costs*

The costs of replacing a part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

(iii) *Depreciation*

Depreciation is charged so as to allocated the cost of assets less their residual value over there estimated useful lives. Depreciation starts when the assets is readily available for use. The annual depreciation method and useful lives for property and equipment are as follows:

Leasehold improvements	25%	Using a straight-line method or term of lease, whichever is shorter
Furniture and fixtures	25%	Using a straight-line method
Computer equipment	50%	Using a straight-line method
Office equipment	25%	Using a straight-line method
Motor vehicles	25%	Using a straight-line method

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

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

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2021

27. Significant accounting policies (continued)

27.8 Intangible assets

Intangible assets consist of computer software license and related costs are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets are amortised on a straight-line basis at the rate of 20% per annum. If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new expectations.

27.9 Impairment

Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the profit or loss.

27.10 Other liabilities

Other liabilities are carried at amortised cost using the effective interest method in the statement of financial position.

27.11 Provisions

Provisions are recognised in the statement of financial provision 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 has been reliably estimated. Provisions are measured at the present value of the expenditure 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 liability. The increase in the provision due to the passage of time is recognised as finance cost.

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2021

27. Significant accounting policies (continued)

27.12 Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised 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.

(ii) Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits, including seniority indemnity obligation, is the amount of the benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

27.13 Dividends

Dividends declared and approved by the Company's shareholders before the end of reporting date are recognised as a liability and accounted for as a deduction from the retained earnings in the financial statements.

Dividends declared and approved by the Company's shareholders after the reporting date are not recognised as a liability but disclosed as the subsequent events note in the financial statements.

27.14 Interest

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.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2021

27. Significant accounting policies (continued)

27.15 Fees and commission

Fees and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the measurement of the effective interest rate.

Other fees and commission income are recognised as the related services are performed. If a loan commitment is not expected to result in the draw-down of a loan, then the related loan commitment fees are recognised on a straight-line basis over the commitment period.

Other fees and commission expense relate mainly to transaction and service fees, which are expensed as the services are received.

27.16 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the Company. All other leases are classified as operating leases.

Rights to assets held under finance leases are recognised as assets of the Company at the fair value of the leased property (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are deducted in measuring profit or loss. Assets held under finance leases are included in property and equipment, and depreciated and assessed for impairment losses in the same way as owned assets.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

27.17 Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax 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 enacted or substantially 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).

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2021

27. Significant accounting policies (continued)

27.17 Income tax (continued)

Deferred tax liabilities are recognised for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for all temporary differences that are expected to reduce taxable profit in the future, and any unused tax losses or unused tax credits. Deferred tax assets are measured at the highest amount that, on the basis of current or estimated future taxable profit, is more likely than not to be recovered.

The net carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognised in profit or loss, except that an adjustment attributable to an item of income or expense recognised in other comprehensive income shall also be recognised in other comprehensive income.

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.

27.18 Financial assets and financial liabilities

(i) Recognition

The Company initially recognises a financial asset or a financial liability when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification

The Company classifies its financial assets and liabilities as basic financial instruments in accordance with Section 11, *Basic Financial Instruments*.

(iii) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or settled, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2021

27. Significant accounting policies (continued)

27.18 Financial assets and financial liabilities (continued)

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Amortised cost measurement

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

(vi) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2021

27. Significant accounting policies (continued)

27.18 Financial assets and financial liabilities (continued)

(vii) Identification and measurement of impairment

Objective evidence of impairment

At each reporting date, the Company assesses whether there is objective evidence that financial assets that are measured at cost or amortised cost. A financial asset or a group of financial assets is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the assets and that the loss event has an impact on the future cash flows of the assets that can be estimated reliably.

Objective evidence that financial assets are impaired includes:

- significant financial difficulty of the borrower or issuer;
- default or delinquency by a borrower;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- indications that a borrower or issuer will enter bankruptcy;
- the disappearance of an active market for a security; or
- observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group.

Individual and collective assessment

All individually significant assets are individually assessed for impairment.

Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

The individual component of the total allowance for impairment applies to financial assets evaluated individually for impairment, and found to be individually impaired, and is based on management's best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows, management makes judgements about a debtor's financial situation and the net realisable value of any underlying collateral. Each impaired asset is assessed on its merits, and the workout strategy and estimate of cash flows considered recoverable are independently approved by the management.

A collective component of the total allowance is established for:

- groups of homogeneous loans that are not considered individually significant; and
- groups of assets that are individually significant but that were not found to be individually impaired.

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2021

27. Significant accounting policies (continued)

27.18 Financial assets and financial liabilities (continued)

(vii) Identification and measurement of impairment (continued)

The collective allowance for groups of homogeneous loans is established using statistical methods such as roll rate methodology or, for small portfolios with insufficient information, a formula approach based on historical loss rate experience.

In assessing the collective loss allowance, management considers factors such as credit quality, portfolio size, concentrations and economic factors. To estimate the required allowance, assumptions are made to define how inherent losses are modelled and to determine the required input parameters, based on historical experience and current economic conditions. The accuracy of the allowance depends on the model assumptions and parameters used in determining the collective allowance.

Measurement

Impairment losses on assets measured at amortised cost are calculated as the difference between the carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate.

Reversal of impairment and written off

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the entity shall reverse the previously recognised impairment loss either directly or by adjusting an allowance account.

The reversal shall not result in a carrying amount of the financial asset (net of any allowance account) that exceeds what the carrying amount would have been had the impairment not previously been recognised. The entity shall recognise the amount of the reversal in profit or loss immediately.

The Company writes off a loan or an investment debt security, either partially or in full, and any related allowance for impairment losses, when the management determines that there is no realistic prospect of recovery.

Bamboo Finance Plc.

Notes to the financial statements (continued) for the year ended 31 December 2021

27. Significant accounting policies (continued)

27.19 Regulatory reserves

The NBC issued Prakas No. B7-017-344 dated 1 December 2017 on Credit Risk Grading and Provision on Impairment and Circular No. B7-018-001 dated 16 February 2018 on the Implementation of Prakas on Credit Risk Grading and Provision on Impairment, which require all banks and financial institutions (“Institution”) to measure the impairment and provide sufficient allowance for bad and doubtful loans based on the new credit risk grading and provision as follows:

Facility classification	Number of days past due	Allowance
Short-term loans (less than one year):		
Standard	0 - 14 days	1%
Special mention	15 - 30 days	3%
Sub-standard	31 - 60 days	20%
Doubtful	61 - 90 days	50%
Loss	91 - days or more	100%
Long-term loans (more than one year):		
Standard	0 - 29 days	1%
Special mention	30 - 89 days	3%
Sub-standard	90 - 179 days	20%
Doubtful	180 - 359 days	50%
Loss	360 - days or more	100%

In accordance with Article 73, the entity shall compare the provision calculated in accordance with above requirements, and the Company’s record which is under CIFRS for SMEs:

- (i) If the regulatory provision is lower, the entity records the provision calculated in accordance with CIFRS for SMEs; and
- (ii) If the regulatory provision is higher, the entity records the provision calculated in accordance with CIFRS for SMEs and transfer the difference from retained earnings into regulatory reserves in equity account.

27.20 Related parties

Enterprises and individual that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including the holding companies, subsidiaries and fellow subsidiaries, are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including Directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals, also constitute related parties.





BAMBOO FIANACE PLC.



 070 235 700 / 070 430 706

 Bamboo Finance Plc

 www.bamboofi.com

Phnom Penh-Hanio Friendship Blvd
(St. 1019), Sangkat Kouk Khleang, Khan Sen Sok
Phnom Penh, Cambodia